



The Interplay of Form, Structure, and Embeddedness in Social Intrapreneurship

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While the influence of form and structure on social entrepreneurship has received some attention within academe, the perception of form as discrete rather than embedded in organizational history, and structure as an individual, dichotomous choice between simple for-profit and nonprofit alternatives, has painted an incomplete picture. Through a rigorous analysis of 10 case studies located within Africa and Latin America involving social intrapreneurship, our findings suggest that cognitive, network, and cultural embeddedness each play an important constraining role that is even more pronounced in organizations that were historically nonprofit in form. However, our results also suggest a variety of decoupled structural approaches that may help mitigate such constraints.

Introduction

Social entrepreneurship as a phenomenon has existed for many centuries, and in some parts of the world, the number of social enterprise start-ups now in fact outpaces those of traditional enterprises (Dart, 2004; Harding & Cowling, 2004; Hines, 2005; Wallace, 1999). However, academic research into the complexities of social entrepreneurship has only gained momentum throughout the past decade (Mair & Noboa, 2006; Short, Moss, & Lumpkin, 2009). Thus, as a phenomenon, social entrepreneurship is far from an anomaly, and as a field of academic study, is in need of large theoretical strides to catch up with practice.

One topic that currently receives substantial debate among practitioners, but much less attention within academe, is the relative effectiveness of alternative forms and structures of social entrepreneurship (Gair, 2005; Mulgan, 2006; Robinson, 2006). The term “form” refers to the legal characterization of an organization as belonging to either the for-profit or the nonprofit sector, and “structure” as alternative legal configurations around which organizational activities are bounded, such as internal divisions versus external subsidiaries. Limited academic discussions on the subject have, in most part, viewed structure as a discrete, dichotomous, choice between for-profit and nonprofit forms made by individual social entrepreneurs when planning a new start-up venture (Borzaga &

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Tortia, 2006; Glaeser & Shleifer, 2001). However, social entrepreneurship often originates out of existing nonprofit and for-profit organizations, herein referred to as “social intrapreneurship” (Light, 2008; Mair & Schoen, 2007), and is therefore much more complex, path-dependent, and embedded than traditionally theorized. In such instances of social intrapreneurship, organizations may engage in a wide variety of structural strategies to facilitate change such as modifying existing nonprofit and for-profit forms, establishing new internal configurations composed of multiple forms, or creating external partnerships or alliances (Austin, Stevenson, & Wei-Skillern, 2006; Mair & Marti, 2006; Nicholls, 2006; Seelos & Mair, 2007).

Organizations that engage in social intrapreneurship must deal with the institutional embeddedness that accompanies for-profit and nonprofit forms in addition to the path dependencies created by their own individual actions. This can often be challenging given that many of the organization’s existing internal and external stakeholders may be of the opinion that social and financial objectives are contradictory rather than complementary (Berger, Cunningham, & Drumwright, 2004; Selsky & Parker, 2005). Thus, social intrapreneurs must also undertake the role of institutional entrepreneurs, or perhaps more correctly, deinstitutional entrepreneurs in fighting against extant logics (DiMaggio, 1988; Oliver, 1992). As such, social intrapreneurs are confronted with the challenge of structuring their organizations in a manner that allows for the blurring of previously separate institutional boundaries while continuing to be perceived as legitimate.

Unfortunately, at present, very little is known about how the initial organizational form, whether for-profit or nonprofit, may impact the ability of the organization to successfully engage in new activities in which social and financial goals are much more balanced. Are nonprofit forms more or less successful than for-profit forms at engaging in social intrapreneurship? What role does embeddedness play in the process of organizational change? Are certain structural configurations more successful than others at navigating this change?

In our attempt to answer these questions, we employed a comparative case study analysis of 10 different organizations located in three countries within Africa and four countries within Latin America. Despite the assertions that social entrepreneurship is expected to flourish within inhospitable contexts characterized by high transaction costs, contract incompleteness, and relative information asymmetries (Austin, Stevenson, et al., 2006; Borzaga & Tortia, 2006), social entrepreneurship research within such international settings is virtually nonexistent (Mair & Marti, 2006). Prior case study approaches within the field of social entrepreneurship have also been primarily descriptive rather than analytical and focused on successes to the exclusion of failures (Light, 2006; Prabhu, 1999; Sharir & Lerner, 2006). Thus, our sampling of cases was purposive to allow for negative, as well as positive, stakeholder responses, and a rigorous approach was undertaken in both the collection and analysis of our data.

Our results indicate that in general, for-profit forms that seek to engage in social intrapreneurship are more successful than nonprofit forms. This is in most part due to the relative cognitive, network, and cultural embeddedness that appeared to constrain nonprofit organizations to a much greater degree than for-profit organizations. However, in both instances, such embeddedness was mitigated by the use of structural decoupling as opposed to an integrated structural approach, which created greater separation between the organization’s past and present activities. Furthermore, the advantages of structural decoupling appeared to be capable of overcoming the initial constraints of the nonprofit form when compared with an integrated for-profit form. Thus, our study suggests a number of theoretical and practical implications for both scholars and intrapreneurs as well as several potential avenues of research for future study.

Forms and Structures of Social Entrepreneurship

Definitional debates continue to dominate much of the prior work within the field of social entrepreneurship (Dees, 1998; Martin & Osberg, 2007; Nicholls, 2006; Peredo & McLean, 2006; Short et al., 2009). Some scholars see social entrepreneurship occurring primarily within the nonprofit sector by way of the application of for-profit skills to nonprofit management (Banks, 1972) or the introduction of commercial activities to traditional donor funding (Young, 1998). However, others view social entrepreneurship as also a for-profit sector phenomenon (Chamberlain, 1977), a hybrid of the two sectors (Dees & Elias, 1998), or sector-independent (New Economics Foundation/Shorebank Advisory Services, 2004). Within our study, we make no attempt to contribute to the definitional debate other than to explicitly state our own conceptualization of social entrepreneurship, which we adopted from Cho (2006, p. 36), who defines it as “a set of institutional practices combining the pursuit of financial objectives with the pursuit and promotion of substantive and terminal values.” Furthermore, our study focuses on social entrepreneurship that occurs within existing, rather than start-up, organizations, and thus, we adopt the term social intrapreneurship to reflect this difference (Light, 2008; Mair & Marti, 2006).

To illustrate our conceptualization of social intrapreneurship used within this article, we provide examples from two of our case studies—one a nonprofit and one a for-profit. In one case, a nonprofit organization, with long-standing roots providing charitable services within Kenya, decided to pursue a more market-based approach to poverty alleviation. Thus, the nonprofit organization began an internal initiative that became active in the buying of cattle from local pastoralists, at fair prices compared with those offered currently by middlemen, and arranging for forward sales contracts with large meat processing plants. In this way, the nonprofit organization sought to create an increase in producer incomes in a manner not reliant on future donations. In another case, a large for-profit organization, with longstanding roots within urban centers throughout Zimbabwe, decided to launch a microfinance initiative that would assist the rural poor while still contributing profits. To accomplish this, the for-profit organization established a separate for-profit subsidiary, which, from the outset, formed a partnership with an external nonprofit organization to assist with the venture. Thus, our notion of social intrapreneurship within this article involves existing organizations engaging in new ventures that possess a more balanced focus between financial and social objectives.

Prior research on the structuring of social entrepreneurial activities has focused mainly on how issues such as tax and legal implications, funding sources, characteristics of the entrepreneur, or the nature of the opportunity align better with a nonprofit or for-profit form (Certo & Miller, 2008; Dees & Anderson, 2002; Korosec & Berman, 2006; Lasprogata & Cotton, 2003; Simms & Robinson, 2005). The greatest emphasis, at least in prescriptive terms, has been on the importance of goal alignment as driving structural choice at an individual level—if the goals of the individual are primarily social, then a nonprofit form is better aligned, while the inverse is true if the emphasis on financial objectives is greater (Austin, Stevenson, et al., 2006; Mair & Marti, 2006; Young, 2001).

From a more theoretical standpoint, the issues surrounding the structuring of social entrepreneurial activities have been examined primarily through an economic lens. As a result, theories such as agency and transaction cost economics have been used to study the preference of nonprofit or for-profit forms on the basis of information asymmetry, incentives, and constraints (Borzaga & Tortia, 2006; Glaeser & Shleifer, 2001). In this vein, nonprofit and for-profit forms represent alternative governance structures for organizing

transactions, with their relative efficiencies dependent on the level of concerns regarding moral hazard and adverse selection (Ben-Ner & Ren, 2008).

This prior work has indeed contributed a great deal to our understanding of some of the costs and benefits associated with nonprofit versus for-profit forms of social entrepreneurship. Yet, its focus has been primarily at an individual rather than organizational level of analysis, and its portrayal of form and structure have been typically discrete and dichotomous (Mason, Kirkbride, & Bryde, 2007). However, social entrepreneurship very often originates out of mature existing organizations as opposed to new individual start-ups, thereby complicating institutional challenges for reasons of embeddedness and path dependency (Austin, Leonard, Reficco, & Wei-Skillern, 2006). The structures of such organizations also often contain a web of vertical and horizontal linkages to subsidiaries and external organizations, representing a much higher degree of complexity than considered previously (Nicholls, 2006). Many social entrepreneurs also operate in less developed countries where cultural norms and political arrangements may differ from those in traditionally studied environments (Borzaga & Tortia, 2006). Thus, as Mair and Marti (2006, p. 40) state, “social entrepreneurship, like entrepreneurship in the business sector, cannot be understood in a purely economic sense but needs to be examined in light of the social context, and the local environment.”

Organizations have long been known to be embedded within their social context (Granovetter, 1985; Polanyi, 1944). As such, existing cognitive schema, patterns of relationships, and cultural norms provide a source of potential opportunities, as well as constraints, to organizational actions. While organizations may benefit from routines that simplify information processing, or strong ties that may result in higher levels of trust, such embeddedness may also act to constrain the ability for organizations to undergo change (Dacin, 1997; Uzzi, 1997). In an attempt to tease out the specific mechanisms through which embeddedness impacts organizational outcomes, Zukin and DiMaggio (1990) identified four components of embeddedness: cognitive, network, cultural, and political. According to these authors, cognitive embeddedness involves the regularities of mental processes that govern individual action. Network embeddedness is concerned more with strong or weak ties that form interdependencies between actors. Cultural embeddedness involves the more macro-level shared meanings and beliefs about appropriate roles and actions, and political embeddedness refers to the impact of social institutions such as legal codes or tax policies, which also work to shape organizational actions.

Recent work on the structuring of social entrepreneurial activities has stressed the need to gain a better understanding of the role of embeddedness in social entrepreneurship (Mair & Marti, 2006). Although not labeled as such, much of the prior work on structuring has contributed to our understanding of political embeddedness by highlighting the influence of government taxation policies and the establishment of new legal forms by governments such as “community interest companies” in the United Kingdom or “*l’impresa sociale*” in Italy (Cornelius, Todres, Janjuha-Jivraj, Woods, & Wallace, 2008; Shaw & Carter, 2007). However, little is known about how the cognitive, network, and cultural embeddedness of initial organizational form, as either a nonprofit or for-profit organization, may impact social intrapreneurship (Robinson, 2006). Prior studies of embeddedness outside of the social entrepreneurship field have also tended to gravitate more toward network embeddedness as opposed to the other three mechanisms (Dacin, Ventresca, & Beal, 1999). Thus, by exploring the multifaceted components of embeddedness within the context of social intrapreneurship, we attempt to contribute to both the social entrepreneurship and embeddedness literature through our study.

Data and Methods

An inductive case study approach was employed for the process of data collection and analysis. A case study can be defined as “an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident” (Yin, 2003, p. 13). Case studies, because of their historical component, are well suited to exploring the role of embeddedness within institutional entrepreneurship, and the specific role of form and structure in orchestrating institutional change (Dacin, Goodstein, & Scott, 2002; DiMaggio, 1992).

Case studies differ from other qualitative approaches in that they are most often rooted within existing theory, they make use of quantitative data associated with the phenomenon, and they are undertaken with a goal of developing propositions that can be empirically tested in the future (Langley, 1999). In contrast to ethnographies, case studies do not necessarily require long periods of participant observation but rely much more on a triangulation of data sources including archival documents and interviews (Yin, 2003). Case studies have been termed “synthetic strategies” because of their combination of quantitative with qualitative data as well as their more positivist epistemology (Langley). Rather than producing “process theories,” as is common with many qualitative methodologies, the synthetic approach of case studies often leads to “variance theories,” which involve relationships between independent and dependent variables (Mohr, 1982).

The case selection process occurred in consultation with three large international funding agencies in a purposive rather than random or stratified manner (Agranoff & Radin, 1991; Eisenhardt & Graebner, 2007; London & Hart, 2004). Specifically, several meetings were held with representatives from each of the three funding organizations to determine which of their portfolio of cases were suitable examples of social intrapreneurship in developing countries. In all cases, the efforts of the social intrapreneurial venture involved a market-based approach to poverty alleviation. This contextual environment was chosen for two reasons. First, there exists very little prior work on social entrepreneurship within developing countries despite the prevalence of many such initiatives (Mair & Marti, 2006). Second, social entrepreneurship has often been touted as having unique benefits for alleviating poverty and achieving other millennium development goals (Seelos, Ganly, & Mair, 2006). However, with the exception of a select few studies (i.e., Mair & Mitchell, 2009; Seelos & Mair, 2005), practical and theoretical insight into how such expectations play out in reality have been lacking.

Case variance was sought with regard to initial organizational form (nonprofit or for-profit), as well as structural configurations, for the purpose of gaining a broader understanding of the embeddedness of form as well as the breadth of structures employed in social intrapreneurship. As opposed to prior work using case studies that has focused only on “exemplars” or “best practices” (Alvord, Brown, & Letts, 2004; Sharir & Lerner, 2006), our cases were also selected in a manner that represented a range of both successful and unsuccessful outcomes.

Ten cases were selected for inclusion within the study. Previous experts have suggested that between four and 10 cases is often sufficient; while less than four makes it difficult to build complex theory, more than 10 makes it difficult to deal with the volume of information collected (Eisenhardt, 1989). The 10 cases were located in seven different countries within Africa and Latin America. Specifically, two were located in Kenya, one in Zimbabwe, one in the Kingdom of Swaziland, one in El Salvador, one in Honduras, one in Bolivia, and three in Brazil. The diversity in countries was selected to explore the impact of structure and form in a diverse set of cultural environments to give greater

Table 1

Summary Characteristics of Social Enterprise Cases

Case	Location	Age (yrs)	Scope of clients	Scope of suppliers	Product
Microfinance	Zimbabwe	10	5,000 borrowers and 7,000 jobs	1 large domestic bank	Small, short-term loans of between \$1,000–\$25,000
Tableware	Swaziland	15	1 local retail store and 550 stores internationally	660 women from 14 villages	Tablemats, napkins, bowls
Palm hearts	Brazil	3	1 large local distributor	346 co-op members	Palm hearts
Organic grains	Bolivia	20	14 franchises, 3 supermarkets, foreign clients	100 co-op members	77 different products in total
Coffee	Honduras	6	1 large Canadian distributor	5 co-ops with a total of 324 members	High-grown coffee beans
Handicrafts	Brazil	2	1 large local buyer with several small buyers and 1 small retail outlet	9 co-ops with a total of 450 members	Baskets primarily but also brooms, honey, eggs, vegetables, etc.
Pastoralists	Western Kenya	4	1 large local buyer with several small ones	9 co-ops with a total of 561 members	Primarily cattle but also sheep
Shrimp farm	El Salvador	5	Many small local middlemen	20 co-ops with a total of 600 members	Only shrimp
Fish farm	Brazil	4	2 large local buyers	1 co-op with 48 members	Only fish—experimenting with oysters
Horticulturalists	Eastern Kenya	7	2 large local buyers with several small ones	16 co-ops with 500 members	Asian vegetables

generalizability to the findings. Summary characteristics of the organizations in each case study are included in Table 1.

Out of the 10 case studies, three involved an initial nonprofit form (coffee, pastoralists, and horticulturalists), four an initial for-profit form (microfinance, palm hearts, handicrafts, and fish farm), and three that began as social enterprises from the outset (tableware, organic grains, and shrimp cases). Although our primary focus was on the influence of initial form, we elected to include several case studies that were not historically embedded in prior activities to contrast our findings, as well as gauge the overall importance of embeddedness, by comparing cases of social intrapreneurship with social entrepreneurship.

Case data were obtained via several methods including archival data, direct observation (captured on video), and semi-structured interviews. Such diversity of sources was selected to improve the construct validity of the emerging patterns through triangulation (Yin, 2003). The information was collected during two separate data collection trips of approximately four weeks each in duration. Archival documents were composed of items such as partnership agreements, websites, informal internal correspondence, minutes of meetings, and legal proceedings. They also included, in many cases, internal memos or correspondence between the organization and its stakeholders, including third-party surveys and reports from organizations such as the World Bank or other third-party donors. A total of 55 open-ended depth interviews were conducted with multiple respondents for each case study that were approximately 60–90 minutes in length (McCracken, 1988). Because previous research using case studies has been severely criticized for its overreliance on single respondents (Kumar, Stern, & Anderson, 1993), a number of interviews were obtained from multiple respondents in each case including founders and employees of the organization,

clients, suppliers, government officials, community members, and consultants. Although an interview guide had been created to help steer the conversation, often, tangential avenues of interest were actively pursued (Rubin & Rubin, 2005). Direct observation took place by way of public meetings, facilities and plant tours, interaction between the organization and other key stakeholders, and visits to retail sites. Such observatory information provided unique insight into the underlying organizational rationale and stakeholder responses involved in the structuring of the social entrepreneurial activities (Ostrower, 1998).

The collected data was subsequently coded using NVIVO 7 (QSR International, Cambridge, MA, USA). Although several prior studies that adopted a case study approach have contributed a great deal of anecdotal data with regard to social entrepreneurship, most have failed to rigorously capture “the rich detail required to make adequate ideographic or content analytical studies” (Prabhu, 1999, pp. 140–142). Furthermore, few case studies have focused on the organization rather than the individual as a level of analysis (Mair & Marti, 2006). Thus, we attempted to systematically analyze the thick descriptions that resulted from the interview, archival, and observational data for patterns in relationships between form and outcomes as well as structural configurations (Trochim, 1989). Overall, the design of the study, the data collection process, and the subsequent analysis and interpretation of the data were conducted in accordance with the five criteria of credibility, transferability, dependability, confirmability, and authenticity as laid out by Guba and Lincoln (1989).

Theoretical Development

We began our analysis by seeking out patterns between the initial organizational form and the degree of organizational success at social intrapreneurship. The movement away from a traditional for-profit or nonprofit form to a more hybrid form of organization is necessarily a case of institutional entrepreneurship (Greenwood & Suddaby, 2006; Mair & Marti, 2006). Institutional entrepreneurs are defined as “actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones” (Maguire, Hardy, & Lawrence, 2004, p. 657). While institutional norms do often change over time (Dacin et al., 2002), the change process itself is often highly political and fraught with conflict (Seo & Creed, 2002).

Our results indicate a distinct difference in the ability of nonprofit versus for-profit forms to successfully engage in social intrapreneurship. We observed a definite pattern between these two groups in that the effectiveness in mitigating conflict and legitimacy threats was much higher in the cases of for-profit than nonprofit forms. For reasons of embeddedness, attempts to shift nonprofit forms toward a more financially or market-oriented approach were much less effective than shifting for-profit forms toward a more social orientation. We turn now to describing the specific reasons for these differences within the context of the cognitive, network, and cultural embeddedness.

Cognitive Embeddedness

An organizational shift toward a more balanced approach to social and financial goals by either a nonprofit or for-profit form requires a cognitive shift in the minds of its employees. Prior research has shown that modifying an organization’s identity is often a very challenging task (Albert & Whetten, 1985). Doing so requires changing the schemas and cognitive processes of the organization’s internal stakeholders (Barley, 1986; Gioia,

Thomas, Clark, & Chittipeddi, 1994; Weick, 1979). Schemas are defined as “knowledge structures that represent objects or events and provide default assumptions about their characteristics, relationships, and entailments under conditions of incomplete information” (DiMaggio, 1997, p. 269).

While cognitive embeddedness would be expected to act as a constraint on either form, internal struggles appeared much more significant in the cases of nonprofit forms. As the finance manager in the Kenyan horticulturalist case, which was initially a nonprofit form, described:

I think that the core business of [the nonprofit] are donations. I mean here you're given money to spend on certain activities. They're not looking at how much you can make out of it so even the brain set-up or thinking of how to use this amount of money that you've been given would be different if you're being given the same for a business venture.

Such thinking was echoed in the other nonprofit cases with frequent references to the terms “mindset” or “orientation.” In reference to struggles experienced in the nonprofit coffee case, one project manager recounted:

One of the biggest challenges was changing the mindset in the staff. [The new social enterprise] wasn't making money. It was operating like a project. The people who were there, they were more project oriented. They're operating like, okay there is a budget here, and they match it with expenses. And because the funding is a grant, then they don't look at it as a kind of . . . an ongoing concern, where costs should be covered by income.

In addition to struggling with a change in mindset, the employees in the nonprofit cases experienced a much higher degree of cognitive overload with the introduction of more market-based activities. As the finance manager in the nonprofit pastoralist case relayed:

People were quite green; they tried, but it . . . I mean the set up was really a business set up. The accountant then was trying to do his [nonprofit] financials and then on this other hand he was also trying to monitor something from a profit kind of financial system so of course that's going to be a challenge. He was trying to . . . you know he's doing double work in one way. On the other hand his training, his knowledge and his co-activity is the [nonprofit] financials so he has to take some time to train; look at it from another point of view. That was difficult because given the set up unless they would have another dedicated staff who is employed on that end or from that perspective.

Perhaps the greatest difference observed between social intrapreneurship originating from nonprofit versus for-profit forms was the view of social and financial objectives as either contradictory or complementary. The organizational identities (Dutton & Dukerich, 1991) of nonprofit forms appeared to have much more resilient roots than within the for-profit cases. Within the nonprofit cases, the employees appeared to feel constantly conflicted in their new roles. For instance, a project leader in the nonprofit pastoralist cases described the following event that occurred when its employees were placed in more business-like situations:

We had our process that was very specific . . . that you bring us animals, we go out, we tell them that we want this kind of animals, minimum say 150 kilograms and do not bring us anything less than that because we'll not take it. Then we weigh each and

every animal, and the ones that didn't fit our specifications, we put them aside. But what used to happen is that the locals would come to you, say you're the project manager, and somebody comes with a sob story saying you have to take it and please, please, please . . . many times the project manager just said, "you know what, we'll take it."

Unfortunately, the result of such decisions was not only poor financial performance in the short term, but also a resulting decrease in social performance in the longer term as funding for the project dried up.

However, the employees of social intrapreneurial ventures taking a for-profit form often appeared to see social and financial goals as much more congruent. As a result, their willingness to engage in a "tough love" type of approach with the groups they were trying to help appeared much higher. In observing transactions between the purchasing manager of the for-profit social enterprise in the tableware case and the local Swazi producers, it was quickly evident that poor product quality was unacceptable regardless of any excuses provided by the producers. As the Swazi women entered the office one by one, the manager would loudly identify any apparent flaws in the tableware and gruffly instruct the producer to take the product back outside for repairs. When later asked why she did not feel conflicted in rejecting products from the impoverished local women that were of even slightly poor quality, she stated:

Because once I take something that's not good, it means it's going to sit in the store for good. No one's going to buy it. They can't sell something that's not good quality for someone. So they know exactly, that I have to do this, so that they buy it.

In such instances, not only were the employees better able to reconcile financial with social goals, but they were also able to effectively communicate their rationale to other stakeholders. Therefore, the constraining effects of cognitive embeddedness appeared much stronger and salient in cases of nonprofit form than those that were for-profit.

Network Embeddedness

As Dacin et al. (1999, p. 326) stated, "economic activity is both channeled and bounded by existing inter-actor ties—the boundaries around these ties and resultant networks serve to constrain, as well as provide opportunities for interconnected actors." Despite this recognition that network embeddedness can be both positive and negative, much of the prior work on embeddedness in interorganizational and interpersonal relationships has concentrated primarily on the advantages that accrue to organizations by way of social networks composed of strong and weak ties (Carpenter & Westphal, 2001; Gulati, 1998).

Similarly, at the outset of our study, we fully expected network embeddedness to have a stronger and more positive effect for nonprofit than for-profit forms given their decades of interacting with stakeholders in developing countries. However, our results indicated that the social capital that had accrued throughout the years of goodwill activities appeared to be devoid of value when attempts were made to expend it in a transactional manner. When the nonprofit forms attempted to change the nature of the relationship from unidirectional and donative to bidirectional and transactional, the response of the local individuals was one of opportunism. In many cases, despite having long-term agreements in place to offset high initial investments, the locals would engage in side-selling of their products, often leaving the nonprofit social venture in a position where they could not fill orders and quantities. As the project manager in the nonprofit horticulturist case stated:

When the price suits [the farmers], they sell to you. When it doesn't, when the market is giving a better price, they sell to the market. You know they're really shrewd business people, they're cut throat, they're tricky, if they can get the better of you they will . . . without any qualms.

In such instances, the local individuals also appeared to exhibit a sort of “network amnesia” in which prior interactions or goodwill efforts on the part of the nonprofit forms were quickly forgotten in the new transactional arrangement. As a general manager in the nonprofit coffee case recounted:

Okay, another aspect is that for example, producers, when they deal with the price, they forget that these people give them, they give the training workshops, they give all that, taught them how to even treat their soil and now they say, that's the same.

Prior research has shown that attempts at deinstitutionalization fail without significant buy-in from the organization's key network stakeholders (Kotter, 1996; Oliver, 1992). Not only were attempts at establishing legitimacy for the social venture rebuffed by the locals in the nonprofit cases, but also often by their existing donor bases, which resided primarily within developed countries. The donors in many of the nonprofit cases felt uncomfortable with the notion of “making money off the backs of the poor” (Boschec, 2006; Weisbrod, 1988). In examining archival documents in the pastoralist case, we noted an internal memo from the project director in which he stated:

This is a type of intervention that donors are not familiar with—they raise questions of sustainability, middlemen fees or costs, and the involvement of government.

Furthermore, social intrapreneurship initiatives that emerged out of nonprofit forms were often started using donor funds. However, such ties often had a significantly negative impact on the social venture's ability to incorporate financial objectives to a greater degree. For instance, in the horticulturalist case, an expansion into trading goats, in addition to cows, by the social venture was driven by a funder's demands for greater gender equality within the enterprise, and women were much more familiar with goats than cows. While the pursuit of gender equality is of course a noble social cause, the addition of that requirement served as a source of distraction and financial drain on the social venture as the market for goats was inadequate to be self-sustaining.

The for-profit forms, on the other hand, appeared able to leverage their embeddedness in the current marketplace when broadening their networks. Because their push into more socially focused goals and activities did not constitute a dramatic reorganization of their existing relationships, they were able to use their existing levels of trust and reputation. As a salesman in the for-profit fish case in Brazil described:

When you talk about trust, this is very important. For [the customers] it's important for them to talk with the guarantee of the [for-profit parent]. The social enterprise is very small. So they trust the [for-profit parent] to make sure that the cooperative is going to produce what they are saying.

Interestingly, in the three comparative cases that began as social enterprises from the outset, each expressed the importance of ensuring that their relationships with the locals were bidirectional at the outset to avoid the establishment of unidirectional ties. As one general manager in the organic grains case described:

We want to help them. But not in the way of going to give them free things. No, we're not going to pay to subsidize the production. If you put one dollar they have to put 10 cents, they have to build what we give them . . . they're on their own at the end of the day.

Therefore, our results suggested that network embeddedness often plays a relatively negative role in nonprofit forms and a positive role in for-profit forms. Furthermore, our analysis indicates that ensuring network relationships are constituted as bidirectional from the outset appears to be an important factor when establishing new social intrapreneurship ventures.

Cultural Embeddedness

Cultural embeddedness should not be construed as simply a country or regional concept but rather ideologies and logics that are not necessarily tied by geographic boundaries (Meyer, Boli, & Thomas, 1987). That being said, one of the aims of our study is to examine how initial forms, and resulting social enterprise ventures, perform in developing countries where very little research within the field has taken place. Prior research on cultural embeddedness has noted how the influence of cultural embeddedness often varies a great deal throughout different parts of the world (Hamilton & Biggart, 1988), and that such cultural embeddedness often creates path dependencies in relationships (Arthur, 1989).

Our analysis indicated that the norms and expectations in developing countries, as they relate to form, may be very different compared with developed regions. What was most surprising was that the "institutionalized trust," so often referred to as the primary organizational advantage of the nonprofit form, appeared unleverageable in the establishment of bidirectional relationships with locals in developing countries. In such cases, the relationship was based on trust gained through prior interactions at an organizational level (which also was unleverageable in the nonprofit cases as discussed) rather than form at an institutional level. As a former employee in the tableware case described the cultural environment in Swaziland:

We've got an established relationship of trust with these women. We've been working with them for 15 years now. So, that's a long time, and they do trust us. If I was someone separate that walked in, because I knew they needed water, or I knew that they needed help with their orphans . . . if I walk in as an NGO, they're not going to trust me. They don't know who I am. They don't know what my agenda is.

The source of such skepticism, or distrust, appeared to be that members of the nonprofit sector within developing countries were not necessarily seen as altruistic or driven by intrinsic rather than extrinsic value. In fact, we directly observed that in nearly all of the least developed countries visited in both Africa and Latin America, nonprofit organizations possessed some of the newest vehicles, and their employees were often much better dressed than most individuals. While within developed countries, employees of a nonprofit organization are often viewed as highly benevolent and underpaid relative to their for-profit counterparts, those working within least developed countries possess some of the highest paying jobs, and thus are thought by locals to be susceptible to self-interested behavior to maintain their status if threatened. In an interview with an employee of a nonprofit organization in Zimbabwe, she contended that in fact, fraud occurs frequently within many nonprofit organizations in Africa. Whether this is true or not, the reputation of the nonprofit form as trustworthy appeared challenged in many of the cultural contexts within the study.

Another recurring theme was the struggle by nonprofit organizations to effectively engage in a bidirectional relationship in its dealings with locals. However, the source of such difficulty was not only embedded in prior organizational actions, as was the case in network embeddedness, but also a broader institutional embeddedness of form unrelated to the organization's individual dealings. The archival documents pertaining to the pastoralist case contained a report created for one of the primary donors to the organization. In the report, the author professed that the primary difficulty for engaging in social intrapreneurship for their organization in Kenya was that:

[The social enterprise venture] operated with an environment where nonprofits are regarded as an organization that implements social objectives and not one to pursue commercial objectives such as profitability.

In such contexts, local individuals have come to rely heavily upon nonprofit forms for charitable assistance. In many cases, this reliance had reached a point where the initiative and drive of locals had been displaced. One of the founders in the organic grains case in Bolivia relayed a story illustrating the extent of this reliance:

Before, there was a bridge, a stone bridge. Each ten years, more or less, it would go down because of the rain. Sixteen years ago when it happened, all of the community worked together to rebuild it. Now, since they have [charitable help], they go to La Paz and look for NGOs to pay for the reconstruction of the bridge when it falls. They feel they cannot move anything and are there waiting to have someone help them.

Within many developing regions, poverty is not just about a lack of financial capital, but also about voicelessness, humiliation, and exploitation (Jain & Vachani, 2006). However, the roots of this atmosphere of dependency stretch much further back than the involvement of nonprofit forms—back to the era of colonialism. As a social worker in Brazil described:

We have a whole history of colonization . . . “oh these Indians, they don't know how to do, let's just do everything” . . . and they have. You have to go very slowly for them to get used to it, to know that they can do it, so that they feel that they are able to do.

Thus, in instances of social intrapreneurship within developing regions, both the nonprofit and the for-profit forms had to deal with such cultural embeddedness in employing market-based solutions to poverty. However, for-profit organizations did not appear as constrained by such embeddedness. As the vice president in the for-profit microfinance case in Swaziland stated:

Unlike nonprofit organizations, we did not have to wrestle with an image as a charity designed to help the destitute, or being a donor's hand-maiden.

Therefore, nonprofit forms within developing countries appear to experience a great deal of difficulty in changing their image as pure charities because of cultural embeddedness. Furthermore, such difficulties are not compensated by any benefits of trust that accompanies the nonprofit form, as is the case in developed countries. Thus for-profit forms, with their comparative lack of constraints due to cultural embeddedness, experience an easier transition in their efforts at social intrapreneurship.

Therefore, overall, for reasons of cognitive, network, and cultural embeddedness, our results indicate that social intrapreneurship emerging out of nonprofit forms of organization will experience greater difficulty at shifting toward a more balanced goal orientation compared with for-profit forms. As a result, we propose the following theoretical relationship:

Proposition 1: Organizations that were historically for-profit in form will be more successful than those that were nonprofit in form at engaging in social intrapreneurship.

The Influence of Structure

As our results have shown, the embeddedness of form may lead to cognitive difficulties as well as threats to external legitimacy that constrain the ability of institutional entrepreneurs to effectively change (Dees & Anderson, 2006; Dorado, 2006). Prior research has demonstrated that in such instances, organizations often pursue purposeful structural strategies to shape their environments (Oliver, 1991). In dealing with internal coordination and cognitive difficulties associated with goal conflict and high levels of complexity, organizations have been known to separate their organizational structures both internally through divisions as well as externally through subsidiaries and alliances (Selznick, 1957; Williamson, 1985). Similarly, organizations often respond to legitimacy threats that resulted from embeddedness by decoupling their organizational structures (Elsbach & Sutton, 1992; Weick, 1976). In this way, organizations attempt to manage stakeholder perceptions by framing their activities as separate from one another (Fiss & Zajac, 2006).

Within the field of social entrepreneurship, some scholars have suggested that structural separation may be an important strategy for social entrepreneurs to undertake given their role as institutional entrepreneurs (Ashforth & Mael, 1989; Dees & Elias, 1998; Mair & Noboa, 2006; Nicholls, 2006; Simms & Robinson, 2005). As Firstenberg (1986, p. 61) suggested, “where both nonprofit and profit-making activities coexist within the same enterprise, there is a strong risk of confusion of objectives and operating style between the two components.” Similarly, Austin, Stevenson, et al. (2006, p. 3) have emphasized that “commercial and social dimensions within the enterprise may be a source of tension.” However, other scholars are of the opinion that maintaining a single structure may produce greater overall benefits for the organization (Evers, 2001; Fowler, 2000). While we do know that in reality, social enterprises often select both simple and complex structures (Mair & Marti, 2006; Nicholls), we still know very little about how different structural strategies may interact with organizational form to impact the constraints of embeddedness. Thus, we attempted to develop a continuum of structural configurations and investigate the moderating effects of structure within social intrapreneurship.

Continuum of Structural Configurations

An initial analysis of our data indicated that organizations pursuing social intrapreneurship, such as traditionally studied organizations, make conscious structural attempts to overcome problems associated with embeddedness when undergoing organizational change. Table 2 illustrates the range of structural configurations observed within our 10 case studies. As is evident, such structural strategies are often highly complex and occur in multiple stages rather than at a single point in time.

As Table 2 shows, in cases where the organization was nonprofit in its initial form, attempts to mitigate embeddedness occurred through several structural configurations such as by way of a for-profit subsidiary with its own set of subsequent for-profit subsidiaries (coffee case), through a joint venture between a for-profit organization and a for-profit spin-off of an internal nonprofit initiative (horticulturists case), or as a formal

Table 2

Structural Paths and Configurations of Social Enterprises

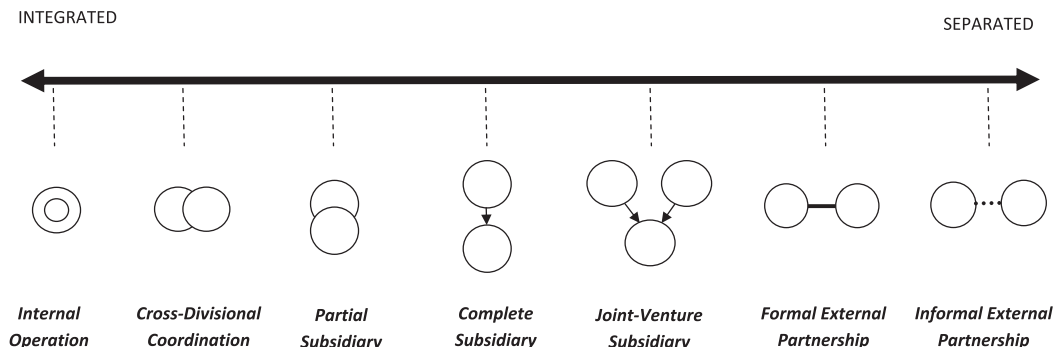
Social enterprise	Initial form	Step 1	Step 2	Step 3	Final configuration
Microfinance					
Tableware					
Palm hearts					
Pastoralists					
Organic grains					

Social enterprise	Initial form	Step 1	Step 2	Step 3	Final structure
Coffee					
Handicrafts					
Shrimp farm					
Fish farm					
Horticulturalists					

FP, for-profit; NP, nonprofit; FPSE, for-profit social enterprise; NPSE, nonprofit social enterprise.

Figure 1

Continuum of Structural Configurations Used in Cases of Organizational Social Entrepreneurship



partnership between an internal initiative and an external for-profit organization (pastoralists case). Similarly, in organizations that were for-profit in their initial form, two cases involved nonprofit subsidiaries that subsequently set up their own for-profit subsidiaries but remained heavily involved in the day-to-day operations (fish farm case, handicrafts case). Another case used a similar configuration but with greater separation between its nonprofit and for-profit subsidiaries as well as the integration of one of the parent company’s other for-profit subsidiaries with the new social enterprise venture (palm hearts case). The final for-profit case involved the setup of a for-profit subsidiary in conjunction with the formation of an external partnership with an established nonprofit organization (microfinance).

Although not the focus of this particular inquiry, it was interesting to note that in the remaining three cases where social entrepreneurship occurred from the outset (shrimp case, tableware case, organic grains case), all were for-profit forms that eventually included an additional nonprofit form in their structural configuration in order to allow the original enterprise to concentrate more on its financial goals. This occurred by either setting up an internal subsidiary (tableware), creating a formal, open partnering with an outside nonprofit organization (shrimp), or partnering informally, even covertly, with an existing nonprofit organization (organic grains). This supports assertions by Young (2001) that organizations attempting to engage in both social and financial goals within a single structure will naturally shift one way or the other as they mature. However, our findings suggest that this shift need not result in a dichotomous choice between one type of focus or the other, but rather can be accommodated through the decoupling of structures. Thus for-profit social enterprises may not necessarily lose their social mission over time (Dorado, 2006)—perhaps it can be separated rather than lost.

While the case studies differed a great deal in their diversity of structural configurations, an analysis of the basic elements of their structures led to a common dimension upon which they could be compared (see Figure 1). It was evident that the structural configurations of the social enterprise ventures differed in the degree to which attempts were made to integrate or separate the social and financial activities of the organization. Thus, we developed a continuum of structural configurations undertaken by organizations within this study. At the integrated end of the continuum, “internal operations” represent the pursuit of both activities within a single formal organizational structure. At the other

end of the continuum, “informal external partnerships” link social and financial activities only informally through external partnerships with outside organizations, resulting in a high degree of separation. Structural configurations residing at points along the continuum vary in the degree to which organizational activities were decoupled either internally or externally. Starting from the left-hand side of the continuum, “Cross-Divisional Coordination” involves joint activities by two or more subsidiaries of a single parent organization. A “partial subsidiary” involves the creation of a new legal structure but with strong operational overlap between the parent and its subsidiary. A “complete subsidiary” configuration represents the creation of a suborganization, which is, at least partially, operationally distinct from both the parent company and other subsidiaries. In moving further to the right along the continuum, the structural decoupling begins to involve external organizations that exist outside the ownership of the focal organization. For instance, social intrapreneurial ventures involved in a “joint venture subsidiary” are similar to a “vertical subsidiary” configuration but now share partial ownership and activities with an outside party. “Formal external partnerships” represent shared, coordinated activities between two separate organizations, while “informal external partnerships” work together behind the scenes to coordinate financial and social activities.

The structural configurations presented in Figure 1 are not meant to represent a typology of all possible configurations, nor should they be perceived as mutually exclusive as is evident in our case studies. Rather, the purpose of the configurations presented is to serve as an illustration of the varying degrees to which social intrapreneurs undertake to integrate versus separate their financial from social activities. In this way, the continuum serves as a starting point for further discussion surrounding how a more integrated versus separated approach may impact the effects of embeddedness differently.

The Moderating Effect of Structural Separation

An analysis of our data indicated an overall positive interaction effect through separation and a negative moderating effect through integration. Furthermore, as illustrated in Figure 2, the positive moderating effect of structure appeared to be sufficiently strong to invert the main relationship of form. In other words, social intrapreneurial initiatives originating out of a nonprofit form with a high degree of separation can be more successful than for-profit forms using a more integrated structure.

Within the for-profit microfinance case, which appeared to have the greatest degree of success, the for-profit organization engaged in a high degree of separation in its social intrapreneurship venture from the outset by simultaneously setting up a for-profit subsidiary and initiating a formal partnership with an established, outside nonprofit organization. The manager of the bank emphasized that extensive decoupling of the new social enterprise from their existing business was one of the biggest keys to the organization’s success:

As you know they are doing an unconventional way of banking, so we decided that they should not be part of us. We’re old, our branches are old, and we operate the branches like any other commercial bank. So we said that [the social enterprise] needs specialized staff to be handling microfinance clients, so we gave them separate staff in the branches.

Thus, decoupling meant that cognitive embeddedness became much less of a problem. It appeared that the decoupling of employees in addition to separation by legal structure was necessary, as creating two organizational structures that employed the same

Figure 2

Interaction Effect of Form and Structure on Organizational Social Entrepreneurship Outcomes

		Organizational Form	
		<i>Nonprofit</i>	<i>For-Profit</i>
Organizational Structure	<i>Integrated</i>	Unsuccessful	Moderately Unsuccessful
	<i>Separated</i>	Moderately Successful	Successful

individuals led to similar problems of cognitive embeddedness. As one individual who was part of both the nonprofit and for-profit legal structures in the organic grains case recounted:

I was a representative of the organic grains business. I was the guy who decided how much we gonna buy. And on the other hand, I was also working part time with this special project, trying to help [the producers] to get the better conditions to improve their lives. It was a kind of a problem because it's like feeling, "yeah . . . I help these people . . . but when we have to make these decision I work for the organic grains business, right?"

The successful decoupling of employees through separate structures was also followed in the coffee case. Despite the fact that social intrapreneurship in this case arose out of an organization that was initially nonprofit in form, the employees within the new social enterprise were different from those in the original organization, thereby also mitigating the effects of cognitive embeddedness. As the general manager of the nonprofit organization confirmed:

What we do . . . we have some specific people, employees, doing the business part, I hired different people from the other employees.

Additionally, the nonprofit organization was able to at least partially overcome the constraints of its network and cultural embeddedness by undertaking a multiple subsidiary approach. In establishing a for-profit subsidiary as a social enterprise with its own set of additional for-profit subsidiaries that were not social enterprises, the organization was able to create greater separation from its existing network ties and cultural image.

While the new social enterprise in the coffee case did struggle somewhat with its embeddedness in comparison with the microfinance case, its difficulties were less than those in the initially for-profit cases that involved handicrafts and fish. In each of these two cases, the initial step taken by the for-profit enterprise in setting up the new social

enterprise structures was the establishment of a nonprofit subsidiary. The result of such action was an immediately negative effect as a result of the cultural embeddedness of the nonprofit form. Despite the subsequent structuring of for-profit subsidiaries, such subsidiaries remained under the primary management of nonprofit employees, and thus, external stakeholders continued to view the initiative as primarily social and unidirectional. Additionally, within the handicrafts case, the cultural embeddedness resulting from the more integrated for-profit/nonprofit structure was reinforced by the donating of everything from the newly created nonprofit subsidiary to the partial subsidiary during the start-up phase—money, trucks, and even a factory. This immediately resulted in a unidirectional network embeddedness that the organization was never able to overcome. As the manager of the nonprofit parent recounted:

We've made a lot of mistakes. Now [the for-profit subsidiary] thinks that the [nonprofit] must give everything to them. We are having a hard time to tell them that we wanted to help one time but we won't be there forever.

Within the for-profit palm hearts case, the organization was able to achieve better results through greater separation of its nonprofit from for-profit social enterprise subsidiary, whose focus on business objectives, in addition to social objectives, was reinforced through an internal partnership with another for-profit subsidiary of the for-profit parent. Thus, the effectiveness of structural separation also depends on conveying credible messages (Smirich, 1983). While a change in structure is an important first step in signaling strategic change (Fiss & Zajac, 2006; Meyer & Rowan, 1977), it requires substance to support the symbol to be effective.

By far, the cases that faced the greatest difficulty in their efforts at social intrapreneurship were the nonprofit cases in which the initiatives were incubated within an existing nonprofit structure. An analysis of the archival documents related to the pastoralist case revealed numerous references to their employees struggling with wearing both “an NGO and a business hat” for reasons of cognitive embeddedness without structural decoupling. Additionally, without sufficient structural separation, the cultural embeddedness of the nonprofit form made it difficult to engage in market-based activities. As a program consultant in the pastoralist case stated:

The private sector thinks we are a soft-sport. They think that they can get money out of us because everybody thinks you know you're a nonprofit, you have money and we can just mess about with you . . . everybody is taking advantage of us on both sides and we're sitting in the middle.

Furthermore, where primarily social aims were sought in the early stages of the venture, subsequent attempts to incrementally decouple structurally through outside partnerships (pastoralist) or joint ventures (horticulturalist) were unsuccessful at overcoming this embeddedness. Part of this was due to the network embeddedness that created path dependencies as the nonprofit organizations formed new relationships. At the time of tie formation, many of the organization's stakeholders were drawn into the network for primarily social reasons. As the project manager in the horticulturalist case somewhat ironically described, their joint venture partnership failed because of a stronger financial focus on the part of the nonprofit organization and a stronger social focus on the part of the for-profit partner:

This was the [joint venture] story. So the partner came . . . what was their incentive? It was CSR that was the wrong bloody reason. . . . I'm not saying that's wrong; I'm just saying that's a good reason to give us money; it's the wrong reason to get into

business with us. You know if you're going into business with us, you need to be getting into where you're going to make money out of it . . . Now when it got to crunch time, when the rubber hit the road and [the social enterprise] wasn't making money, they wanted this exclusive arrangement because they didn't really care if they were making money. That's when we started to recognize that we really didn't have common objectives here . . . I just want to bring somebody from the corporate world, from the private sector, who is prepared to lose sleep about this.

Therefore, our results suggest that structure plays an important moderating role in the ability for both nonprofit and for-profit organizations to overcome constraints associated with cognitive, network, and cultural embeddedness. While for-profit forms of social intrapreneurship may experience fewer constraints than nonprofit forms in direct comparison, the degree to which they decouple their structures plays an even more important positive moderating role. Therefore, we propose the following theoretical relationship.

Proposition 2: The degree to which organizations that were historically for-profit in form will be more successful at engaging in social intrapreneurship than those that were nonprofit in form depends on the degree of structural separation. Specifically, both for-profit and nonprofit forms will benefit from higher degrees of separation, although the effect will be even stronger for nonprofit forms.

Limitations and Suggestions for Future Research

As Arrow (1963, p. 947) stated, "when the market fails to achieve an optimal state, society will, to some extent at least, recognize the gap, and nonmarket social institutions will arise attempting to bridge it." Social entrepreneurship, as the combination of social with financial goals, appears to be society's response to the institutional chasm that has formed between the nonprofit and the for-profit sectors. Social entrepreneurs must therefore act as institutional entrepreneurs to bridge this divide (Mair & Marti, 2006). We have attempted to explore how form can influence the effectiveness of social intrapreneurship and how structure can be used as a tool for addressing the cognitive, network, and cultural embeddedness that can constrain organizational change.

Our findings are not without their limitations. First, because of the developing country context within which the phenomenon was explored, our theoretical relationships may change within a developed country context. Prior work has suggested that the general perception of social entrepreneurship may differ between developed and developing regions of the world (Seanor, Bull, & Ridley-Duff, 2007). However, while a great deal of work involving social entrepreneurship has taken place within more advanced economies primarily in North America and Europe, very little insight has come from least developed countries (Ben-Ner & Ren, 2008). Thus, while we recognize our contextual setting as a limitation of our findings, we also view it as an asset given the encouragement by scholars within the field to expand our understanding of social entrepreneurship in developing countries (Dees & Anderson, 2006).

Another limitation of our article is the relatively dichotomous grouping of nonprofit and for-profit organizations. As Borzaga and Solari (2001) have pointed out, there are a number of subsets within each group (i.e., cooperatives, trusts, credit associations, sole proprietorships, joint stock companies, etc.) that vary widely. Additionally, in focusing on either for-profit or nonprofit forms, we failed to include the government as a viable alternative (Defourney, 2001). Thus, our classification of organization forms should be recognized as a boundary condition to our findings.

We do hope, however, that our article will serve to open up a host of new avenues for future research. First and foremost, we hope our theoretical propositions developed herein receive empirical testing in future studies. Specifically, we encourage researchers to examine the degree to which our assertions receive support in different contexts. Our study focused exclusively on for-profit and nonprofit organizations engaged in market-based solutions to poverty alleviation within least developed countries. As our findings suggest, cognitive, network, and cultural embeddedness play a significant role in the degree to which form and structure interact and ultimately impact desired outcomes. Thus, future empirical work that tests both the construct validity and relational significance of our propositions will help to establish the boundary conditions of our assertions as well as suggest additional main and moderating factors within different geographical and project-based contexts.

While we examined the impact of structure on the general notion of legitimacy, it may also be interesting to explore how structure is related to specific types of legitimacy. As Suchman (1995) outlines, legitimacy can be broken down into three types: pragmatic, moral, and cognitive. Dart (2004) has suggested previously that social entrepreneurship may serve as an example of pragmatic and moral legitimacy but not cognitive legitimacy. Our results suggest that cognition may sometimes play a significant role in social intra-preneurial ventures that are embedded institutionally as well as organizationally.

Our focus in this study was also on institutional pressures from more of a coercive or normative standpoint. However, institutional pressures are often also mimetic in nature (DiMaggio & Powell, 1983). In their survey of social entrepreneurs, The Aspen Institute (2005, p. 1) found that at least within the childcare industry, “the decision to start a for-profit versus a nonprofit can be the result of imperfect knowledge.” Within our own study, we noted at least one instance in which the form of the new social enterprise produced a mimetic effect on one of the organization’s key stakeholder groups who were also in the process of setting up a new structure. Thus, while our study took a more purposeful approach to structuring, exploring the mimetic institutional forces in relation to structural outcomes may prove very fruitful.

We also introduced the notion of structure as an important moderating effect on the main relationship between form and success at orchestrating organizational change. However, future research examining the magnitude to which structure as a standalone variable impacts organizational outcomes in nonprofit compared with for-profit forms of organization may yield fruitful insights. A long-standing debate continues in the fields of economics and public policy as to whether nonprofit forms of organization are inherently less, equally, or more efficient compared with for-profit forms, with data supporting all three hypotheses (Brody, 1996; Rosenau & Linder, 2003). Given that our findings suggest that structural decoupling plays a very positive role in both nonprofit and for-profit organizations, future efforts investigating the extent to which the relationship between form and efficiency is significant or negligible when controlling for effective organizational structuring may help shed light on whether form or structure is more salient to this inquiry.

Our discussion of structure as having a positive moderating effect on overcoming embeddedness would also benefit from greater integration with existing literature related to incentive and control systems (Walsh & Seward, 1990). While the purported benefits of structural decoupling as it relates to overcoming network and cultural embeddedness are associated more with notions of legitimacy and impression management from an institutional lens (Bansal & Kistruck, 2006; Elsbach, 1994), the effects of structure on overcoming embeddedness at the cognitive level are potentially overlapping with changes in internal reporting structure or compensation systems. Thus, further investigation into the

degree to which changes in incentives and control systems complement or substitute for greater structural separation would add greater clarity to the relative importance of each (Rediker & Seth, 1995).

Finally, we found it very interesting that the social capital that had been built up by nonprofit organizations over years of charitable actions appeared nontransferable in the establishment of a new bidirectional relationship. In many of the cases, social intrapreneurial ventures with nonprofit roots struggled with excessive opportunism on the part of the people with whom it had been interacting in a positive manner for sometimes even decades. Future research examining the extent to which relationships can be modified between two or more network actors, while still being able to maintain and leverage social capital, may provide interesting insights to the field (Burt, 1992; Granovetter, 1985; Nahapiet & Ghoshal, 1998).

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