Bridging Institutional Entrepreneurship and the Creation of New Organizational Forms: A Multilevel Model

Paul Tracey
Judge Business School, University of Cambridge, Cambridge CB2 1AG, United Kingdom, p.tracey@jbs.cam.ac.uk

Nelson Phillips
Imperial College Business School, Imperial College London, South Kensington Campus, London SW7 2AZ, United Kingdom, n.phillips@imperial.ac.uk

Owen Jarvis
The Aspire Foundation, London EC1V 1NQ, United Kingdom, owen@aspire-foundation.com

The question of how new organizational forms are created remains an unsolved problem in new institutional theory. We argue that one important way that new organizational forms emerge is through a process of bridging institutional entrepreneurship, which involves an institutional entrepreneur combining aspects of established institutional logics to create a new type of organization underpinned by a new, hybrid logic. Building on an in-depth case study of a social enterprise in the United Kingdom, we present a model of the institutional work required for this type of institutional entrepreneurship. The model highlights the multilevel nature of bridging institutional entrepreneurship, showing that it entails institutional work at the micro-, meso-, and macrolevels. The study contributes to the literature by examining an important way that institutional entrepreneurs create new organizational forms; shedding light on the relationship between individual, organizational, and societal level institutional processes; and exploring the relationship between entrepreneurship and institutional entrepreneurship.

Key words: institutional entrepreneurship; institutional logic; institutional work; organizational form; social entrepreneurship

Introduction

A number of influential researchers has highlighted the significance of new organizational forms as an area of study in organization science (e.g., Romanelli 1991, Daft and Lewin 1993). Yet despite their importance, new organizational forms have received comparatively little attention from institutional researchers and the question of how they are created “remains largely unresolved” in new institutional theory (Suddaby and Greenwood 2005, p. 35). This lack of attention is surprising because organizational forms are understood to be closely related to institutional logics, one of the most prominent concepts in new institutional theory. Indeed, “organizational forms . . . are manifestations of, and legitimated by, institutional logics” (Greenwood et al. 2009, p. 2), which raises some intriguing questions about the role of institutional logics in the creation of organizational forms.1

We argue that one important way that new organizational forms are created is through a process of bridging institutional entrepreneurship, which involves an institutional entrepreneur combining aspects of established institutional logics and their associated practices and organizational forms to create a new type of organization underpinned by a new, hybrid logic. We contend that this is a particularly complex form of institutional entrepreneurship because it demands that entrepreneurs fuse together key elements of different logics that may have little in common and may even be in conflict.

Our aim in this paper is to examine the process of bridging institutional entrepreneurship. In doing so, we consider the types of institutional work—“the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions” (Lawrence and Suddaby 2006, p. 215)—needed to build new types of organizations from established logics. More specifically, our study was motivated by the following research question:

What kinds of institutional work are required when institutional entrepreneurs create new organizational forms by combining existing institutional logics?

To answer this question, we conducted an in-depth case study of two institutional entrepreneurs and the new organizational form that they created. The entrepreneurs sought to bridge two conflicting logics—the logic of
for-profit retail and the logic of nonprofit homelessness support—by founding and rapidly expanding a household catalogue business that employed homeless people. This involved constructing a new organizational form that combined elements of both logics and working to establish it as a commonly accepted approach to tackling homelessness across the United Kingdom. Although there are many social enterprises that combine aspects of for-profit and nonprofit institutional logics, the organizational form developed by the institutional entrepreneurs in our case represented a fundamentally new approach to supporting homeless people in the United Kingdom. Although the business venture in our study was ultimately unsuccessful, the institutional project succeeded, and the case provides a valuable opportunity to learn about the creation of new organizational forms by institutional entrepreneurs.

Based on our study, we present a multilevel model of bridging institutional entrepreneurship. We find that the creation of a new organizational form through bridging institutional entrepreneurship requires six distinct kinds of institutional work at three different levels. At the micro or individual level, bridging institutional entrepreneurs must recognize an opportunity for bridging entrepreneurship by framing a problem differently and then developing a new solution through counterfactual thinking. At the meso or organizational level, they need to design the new organizational form by building an organizational template and theorizing an explanation for why this particular template makes sense as a solution to the problem they have reframed. Finally, at the macro or societal level, they have to work to legitimate the new form by connecting with appropriate macrolevel discourses and aligning with highly legitimate actors.

Our study makes three contributions to new institutional theory. First, we examine the creation of a new organizational form by bridging institutional entrepreneurs. As Dacin et al. (2002, p. 51) note, although the development of new organizational forms is one of the most important drivers of institutional change, institutional theorists have only recently begun to pay “close attention to generative processes spawning new types of organizations.” Our work helps to address this call for more research on the development of new organizational forms and extends thinking on institutional entrepreneurship in this important area. In doing so we are able to shed light on the complex relationship between institutional logics and organizational forms.

Second, we present a multilevel model of the institutional work required to create a new organizational form through institutional bridging. The gap between micro- and macroperspectives in social theory has long been considered problematic (Ritzer 2000), and institutional research has been criticized for deserting the microsociological foundations that characterized the seminal early work of Zucker (1977) and Meyer and Rowan (1977). By building a model of institutional entrepreneurship that shows that bridging institutional logics requires a combination of micro-, meso-, and macrolevel institutional work, we help to “reconnect institutional research with processes that occur inside the organization” (Suddaby et al. 2007, p. 468).

Third, we clarify the relationship between entrepreneurship and institutional entrepreneurship, an issue that has generated increasing debate in new institutional theory (e.g., Phillips and Tracey 2007, Sine and Lee 2009). In the case of our subject, Aspire, we found that although the new business failed, the institutional project was eventually successful, suggesting that the formation of a new venture may be decoupled in important ways from the broader institutional project of which it is a part: Although they may be closely aligned and begin simultaneously, they rely upon distinct sets of processes and their success need not be mutually dependent. Our study also highlights that different skills and knowledge are required for the two types of entrepreneurship.

We structure our arguments as follows. First, we review the literature on institutional entrepreneurship, discuss the nature of institutional logics, and consider briefly the literature on new organizational forms. Second, we explain our methodology and introduce our case. Third, we present the findings of our study, focusing on the kinds of institutional work that underpin bridging institutional entrepreneurship. We conclude with a discussion of our contributions and suggest directions for future research.

Theoretical Context

Institutional Entrepreneurship

The concept of an organizational field—a set of “organizations that, in the aggregate, constitute a recognized area of life” (DiMaggio and Powell 1983, p. 148)—is central in new institutional theory. For DiMaggio and Powell (1983), fields comprise powerful institutional forces that lead members to become more similar to one another over time. Indeed, institutions by definition imply permanence and stability, and one of their key characteristics is that they are resistant to change (Strang and Sine 2002). This insight has led to criticism of new institutional theory for its apparent inability to explain organizational transformation and more generally for being an approach to the social world that is fundamentally predicated on compliance and conformity (Greenwood and Hinings 1996, Stinchcombe 1997).

It is in light of this critique of new institutional theory that there has been a surge of interest in the role of agency in institutional change and a corresponding interest in the idea of institutional entrepreneurship. This concept is seen as offering one possible “solution” to the apparent contradiction between the observed tendency for organizations in a given field to converge around a
dominant set of norms and practices and the continual emergence of new norms and practices within fields (Seo and Creed 2002). The idea of institutional entrepreneurship makes an important contribution to new institutional theory because it highlights the ways in which actors work toward their strategic objectives by deliberately leveraging resources in order to manipulate the structures in which they are embedded (Garud et al. 2002).

Although institutional entrepreneurship has been theorized in a number of ways, the concept is underpinned by several related elements. First, most accounts emphasize that institutional entrepreneurship is a political process characterized by contests for power between the relevant field-level participants (Beckert 1999, Levy and Scully 2007). Second, most accounts emphasize that it involves the capacity to alter or create systems of meaning through the strategic use of symbols (Munir and Phillips 2005) and language (Suddaby and Greenwood 2005). Third, and perhaps most importantly, most accounts emphasize the central importance of legitimacy—“a generalized perception or assumption that the actions of an entity are desirable, proper and appropriate within some socially constructed system of norms, values, beliefs and definitions” (Suchman 1995, p. 574)—and more specifically the proactive development of strategies for legitimating institutions (Maguire and Hardy 2006, Zilber 2002).

Institutional Logics

The boundaries of fields, the identities of field members, and the interactions between field members are delineated and maintained by one or more shared institutional logics (Greenwood and Suddaby 2006). Institutional logics are sets of “material practices and symbolic constructions” that constitute the organizing principles of society and that are “available to organizations and individuals to elaborate” (Friedland and Alford 1991, p. 248). These logics guide the behavior of actors within a field and render their actions “comprehensible and predictable” (Lounsbury 2002, p. 255). They do so by providing context-specific practices and symbol systems that show how culture “is anchored in a set of elemental building blocks, not just…‘floating out there in thin air’” (Thornton 2004, p. 42).

In particular, logics provide rules of action that help actors cope with ambiguity and cognitive limitations by highlighting particular issues and problems, determining which of these are salient and demand managerial attention, and framing possible solutions (Thornton 2002). These rules are enforced through symbolic and material rewards and sanctions and comprise a set of assumptions and values about how actors should interpret organizational reality, about what represents appropriate behavior, and about what constitutes success (Thornton and Ocasio 1999). In other words, institutional logics “link internal mental cognitions to external rituals and stimuli” (Thornton 2004, p. 41) and connect meaning with action.

Although much of the institutional theory literature highlights the role that dominant institutional logics play in promoting conformity within fields, researchers have shown that competing logics can also provide the impetus for institutional change and transformation. For example, Reay and Hinings (2005) conceptualize the radical transformation of the Alberta health-care system as rooted in the conflict between the logic of medical professionalism and the logic of business-like health care. In another interesting contribution, Lounsbury (2007) examines how conflict between a performance logic and a trustee logic led to variations in the practices adopted by mutual funds in Boston and New York. Marquis and Lounsbury (2007) extend these ideas further by showing how competing logics in the U.S. banking industry were used by actors as a basis for resistance. More broadly, the notion that contradictions and differences in institutional arrangements can drive institutional change has become a prominent perspective in institutional theory (e.g., Rao and Giorgi 2006, Seo and Creed 2002).

New Organizational Forms

We follow Greenwood and Suddaby (2006, p. 30) by defining an organizational form as “an archetypal configuration of structures and practices given coherence by underlying values regarded as appropriate within an institutional context.” From this perspective, organizational forms are manifestations of institutional logics and require legitimacy in order to become viable and “taken-for-granted as a social fact” (Rao et al. 2000, p. 242).

It is the diversity of organizational forms in a given society that underpins its capacity to change (Hannan and Freeman 1989). This insight suggests that it is important to understand how organizational forms emerge because “in a changing environment, diversity can only be maintained or increased by the introduction of new organizational forms” (Romanelli 1991, p. 80). Interestingly, however, whereas the diffusion and adaption of particular organizational forms has been the focus of considerable attention in the new institutional theory literature, the question of how new organizational forms come to be “invented” has been largely overlooked by institutional theorists. Indeed, although there is some interesting conceptual work on the topic, only a small number of institutional studies have examined the creation of new organizational forms.

Most notably, Suddaby and Greenwood (2005) examine the emergence a new organizational form—multidisciplinary partnerships—within accountancy and law in North America. Their analysis focuses on the discursive struggle between those who supported and those who opposed the new form. They conclude that some organizational forms are created through a discursive process.
of theorization on the part of institutional entrepreneurs. In another important study, Maguire et al. (2004) examine the emergence of the Canadian Treatment Advocates Council (CTAC), an umbrella organization that was founded by the HIV/AIDS community to lobby pharmaceutical companies on treatment issues. The authors reveal how different types of power, coupled with particular kinds of political skills and the capacity for theorization, can be used by institutional entrepreneurs who do not occupy dominant positions to create new organizational forms and associated practices.

In this paper, we contribute to this emerging literature on institutional entrepreneurship and new organizational forms. We suggest that an important but understudied way in which new organizational forms are created occurs when institutional entrepreneurs combine elements of established institutional logics and their associated practices and organizational forms to create a new organizational form underpinned by a new, hybrid logic. To shed light on this process, we examine the kinds of institutional work required by institutional entrepreneurs seeking to create new organizational forms by fusing aspects of existing institutional logics.

Method
To answer our research question we conducted a qualitative, in-depth case study of Aspire, a social enterprise founded in southwest England in the late 1990s with the aim of providing employment for homeless people. Following initial success in Bristol, its founders subsequently sought to establish its approach to addressing homelessness across the United Kingdom by building a franchise network. In this section we describe how we collected and analyzed our data. Our study follows Daft and Lewin’s (1993, p. ii) prescription that research on new organizational forms should be “characterized by midrange theory and method, grounded research, and research that does not presume to test hypotheses empirically.”

Data Collection
Participant observation, conducted by the third author, was the primary source of data. The third author led an Aspire outlet from March 2001 until July 2004, which allowed him to witness firsthand the series of events that underpinned development and subsequent breakdown of the venture. Formal data collection began in March 2003 and finished in February 2004, although the researcher drew on experiences throughout his time at the organization to inform the analysis.

The study was conducted openly and the researcher was careful to obtain the backing of the founders and other important actors prior to data collection. The researcher kept a diary of events in which he recorded his thoughts about the operation of the organization, details of informal conversations with organizational members, the content of key meetings, and other general observations. This diary was regularly reviewed by two of the authors during the data collection period, and key questions for further data collection were identified.

This approach to case study research is a form of “opportunistic ethnography” (Reimer 1977), a relatively rare methodology in management but one that is well established in sociology. This term refers to ethnography carried out by researchers who have found themselves members of an interesting group by chance. As Hayano (1979, p. 100) notes, these researchers are “scholars who have acquired (and then exploited) multiple group membership derived from their own personal interests and backgrounds.” In this case, the researcher performing the opportunistic ethnography was both a franchisee of Aspire and a graduate student.

The observational data were augmented by 13 semistructured interviews with key informants, including the founders (two interviews) and Aspire managers/franchisees (five interviews) as well as board members and investors (six interviews). The interview protocol containing the list of questions that we asked is included in Appendix A. The interviews took place toward the end of 2003 (when the organization was failing), lasted between 45 minutes and one and a half hours, and were tape recorded and transcribed. The interviews focused on the history of Aspire and the relations between the different members of the Aspire network.

In addition, we had access to a range of internal documents from Aspire, including different versions of the catalogue, business plans, and internal communications. These documents provided important background information about Aspire as well as insights into the relationship between franchise members and the strategic direction that the founders sought to take their venture.

Given the high profile of the organization, we also searched the print media for coverage of Aspire. To do so we used Lexis-Nexis, a database comprising the main United Kingdom newspapers. Using the search terms “Aspire” and “homeless” during the period January 1, 1998, to December 31, 2005, we obtained 216 hits, of which 55 were concerned with our focal organization and were included in our data analysis.

Finally, in the summer of 2008 we interviewed seven informants connected to homeless support in the United Kingdom. Three of these informants worked as consultants to the nonprofit sector, and four were actively involved in homeless support organizations. These interviews were semistructured, lasted between 30 minutes and one and a half hours, and were tape recorded and transcribed. Informants were asked their opinions about (1) developments in homeless support and social enterprise since the collapse of Aspire; (2) the effects that Harrod, Richardson, and Aspire had on the subsequent development of the field; and (3) the future of social
enterprise as an approach to helping the homeless. The interview protocol containing the list of questions that we asked is included in Appendix B.

Data Analysis

The data analysis consisted of several stages. The first stage involved drawing on the often-conflicting accounts of our interviewees and on our archival data—the diary and other field notes, the various internal documents, and the collected media coverage—in order to build an “event history database” (Garud and Rappa 1994). This narrative of the growth and subsequent decline of Aspire allowed us to develop a detailed understanding of what had transpired. We were careful to ensure, as far as possible, that the narrative represented a balanced picture from the perspective of both the founders and the regional network of Aspire outlets. The case description was crosschecked by key organizational members from across the Aspire network.

In the second stage of the analysis, we reexamined the data to identify initial concepts and grouped them into first-order categories through a process of open coding. We began by focusing on each data source (interviews, observations, internal documents, and press coverage) and then worked across data sources looking for similarities and differences. This was essentially an inductive process, building on our data and the event history database and focusing on the activities through which the entrepreneurs created the new organizational form.

In the third stage of the analysis we employed axial coding—the search for and identification of relationships between and among first-order concepts (Strauss and Corbin 1990). This allowed us to collapse our first-order categories into a smaller number of second-order themes. This was not a linear process but rather proceeded iteratively, moving among data, emerging patterns, and the literature until the data were refined into adequate conceptual themes (Eisenhardt 1989). This permitted a synthesis anchored both empirically in our data and theoretically in the literature. The second-order themes that emerged from the first-order categories differentiate the forms of institutional work that the entrepreneurs performed.

In addition, it became clear during the data analysis process that the forms of institutional work that emerged from our data occurred at three distinct levels of analysis: problem framing and counterfactual thinking at the micro or individual level, building the organizational template and theorizing the organizational template at the meso or organizational level, and connecting with a macrolevel discourse and aligning with legitimate actors at the macro or societal level. We also found that institutional work at each of these levels was associated with a particular outcome: opportunity recognition and the micro level, organizational design and the mesolevel, and organizational legitimation and the macrolevel. The levels and outcomes constitute our aggregate theoretical dimensions. Figure 1 shows our data structure, highlighting the categories and themes from which we developed our model. Additional supporting evidence for our model is shown in Table 1, and is keyed to Figure 1. This table contains representa-
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<th>Overarching dimension:</th>
<th>Second-order themes and first-order categories</th>
<th>Representative data</th>
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| Microinstitutional work/opportunity identification | 1. Problem framing | A1. “There are a number of [homeless support] organizations providing ‘first aid’ such as food and shelter, but there is still a real lack of…opportunities for the homeless” (Richardson).  
A2. “Mark and Paul convinced me that we [the homeless support sector] needed to do more for people than just patch them up and send them back out on the streets” (franchisee). |
| | B. Homelessness connected to unemployment | B1. “Up to 95 percent of homeless people do not manage to find a job, even when they are housed” (Harrod).  
B2. “Unemployment and homelessness operate in a vicious circle. If you haven’t got a job and depend on benefits, it’s difficult to persuade a landlord, particularly a private one, to accept you as a tenant…. Also many rough sleepers suffer from low self-esteem and a fragmented, isolated lifestyle. These conditions are made more acute by unemployment, making it more difficult to get a job” (extract from article by Spence in the Independent highlighting the work of Aspire, December 8, 2001). |
| | 2. Counterfactual thinking | C1. “This experience of work means it is more likely they will move onto other full-time jobs…we cannot deny that what employers want most is evidence that the people seeking work are job-ready, and a track record in employment is the best way of showing this” (Harrod).  
C2. “You can give someone fish and feed someone for the day or teach him how to fish so he can feed himself for a lifetime” (Richardson). |
| | D. Employment gives homeless people a motivation to improve their own lives | D1. “It is not doing things to people, it is not doing things for people, but simply giving some of the most disadvantaged people in our society some of the opportunities that we all take for granted” (Harrod).  
D2. “Homeless people deserve more than society’s handouts. They deserve the dignity that comes with being able to say ‘I’m John Smith, I work for Aspire’ rather than ‘I’m John Smith, I’m homeless’” (extract from article in the Independent highlighting the work of Aspire, December 8, 2001). |
| Mesoinstitutional work/design of the new organizational form | 3. Building the organizational template | E1. “We wanted to prove that you can do business that puts people first rather than just looking at your bank balance at the end of the year” (Harrod).  
E2. “As a social enterprise Aspire needs to be sustainable and protected against the swings and roundabouts of the global economy which can have real knock-on effects to catalogue sales, which, after all, rely on people’s disposable income. We also need to replicate our work in other cities across the United Kingdom” (Harrod). |
| | F. Employees need support and a stable income to rebuild their lives | F1. “It is not enough to provide training for homeless people without offering them work…. We create work and pay a guaranteed wage of 150 pounds a week, and they develop skills which include IT and database training. We are a company that encourages people to move onto better things” (Harrod).  
F2. “The way we are set up is to give these people a supportive environment to learn how to become good employees…. We understand that most of our employees will have issues that we will have to make allowances for. And, unlike a lot of employers, we are willing to work around those to help them get back on their feet” (Harrod). |
| | 4. Theorizing the organizational template | G1. “This is a more sustainable model than a charity, because even with the best charities a certain amount of the funds raised goes towards fundraising and administration costs. But our revenue is recycled and re-used so that, starting from small amounts, we can do more and more” (Richardson).  
G2. “Most charities rely on the whims of foundations over whether they receive a grant and can’t plan more than three years ahead. Because we are running a business, we can look 10 to 20 years into the future” (Richardson). |
Table 1 (cont’d.)

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<th>Second-order themes and first-order categories</th>
<th>Representative data</th>
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| H. Business a better way of supporting homeless people than charity | H1. “Work is the best preparation for work” (Harrod).
|                                               | H2. “We’re giving people a fresh start, the chance to wipe the slate clean. That’s a very powerful message for them [homeless people] and I think it gives them some purpose and meaning in their lives” (Aspire board member). |

Overarching dimension: Macrorinstitutional work/legitimation of the new organizational form

5. Connecting with macrolevel discourse

I. Aspire is part of the social enterprise movement

I1. “Aspire, a company limited by shares, is one of the United Kingdom’s most innovative social enterprises and has challenged traditional approaches to tackling homelessness…. Aspire creates full-time employment for rough sleepers and other homeless people. They operate a fair-trade catalogue service and in just over two and a half years have employed over 150 homeless people. Over 60% have moved on to other areas of full-time work and many, thanks to their guaranteed salary, are renting private accommodation. Aspire employees can now be found working in restaurants, hotels, factories, bars, call centres, warehouses, car parks, offices, and building sites” (DTI 2002).

I2. “Aspire was so successful that the Prime Minister [Tony Blair] visited us at the end of 2000 to announce the fall in rough-sleeping figures” (Harrod).

J. Aspire represents a new way of doing business for the public benefit

J1. “Like many graduates Paul Harrod dreamt of running his own company. But instead of longing for the fast cars, yachts and other longed-for trappings that accompany successful entrepreneurship, Harrod was determined to run a business that would bring about some social good” (extract from article about Aspire/Harrod published in the Times, July 8, 2003).

J2. “Because my customers know they are backing something that is helping disadvantaged people as well as getting good quality products, they are more likely to buy with me. In that sense, I have a head start in building up a customer base” (Harrod).

6. Aligning with highly legitimate actors

K. Public statements of support

K1. “Aspire is a fantastic success and I’m delighted to see that new schemes are opening across the country. Homeless people deserve more than handouts of soup and small change. Aspire provides real investment in their future and gives people the opportunity to find employment. It means vulnerable people get a real chance to build their lives away from the street” (Louise Casey, head of the government’s Rough Sleepers Unit).

K2. “Paul and Mark are excellent examples of a new breed of social entrepreneurs who aim to create and build profitable businesses to tackle the most stubborn social exclusion challenges” (Upstart Awards 2002 press release).

L. Harrod and Richardson help shape government policy on social enterprise

L1. “Both Paul and Mark are part of the in-crowd [in government circles], which is the club, basically. Paul especially because of his charisma, he’s an incredible operator, and because Aspire has become really big they’re actually affecting…the way Blair thinks about social enterprise” (franchisee).

L2. Harrod appointed to UK government’s social enterprise “implementation group” comprising 19 senior figures from the nonprofit sector. The aim of the group is to ensure that government policy on social enterprise is “relevant and effective.”

tive first-order data; these data underpin the second-order themes (cf. Nag et al. 2007).

A final stage of the data analysis involved analyzing the 2008 interviews with actors in the homeless support sector. This part of the analysis was conducted later than the other stages, and involved consideration of the effects of the entrepreneurs and their organizational form on the field of homeless social enterprise support after Aspire had collapsed. We did not use a formal coding strategy for these data but simply looked for common themes among them.

Aspire: A Case of Bridging Institutional Entrepreneurship

In this section we outline the development of Aspire. In the first subsection we discuss the emergence and growth of Aspire into a legitimate organizational form. In the second subsection we describe the failure of Aspire as
a business. Finally, we briefly discuss the continued persistence of the organizational form created by the entrepreneurs as part of their institutional project.

The Emergence of a New Organizational Form

The institutional entrepreneurs in our case were two recent university graduates—Paul Harrod and Mark Richardson—who, during the late 1990s, had become increasingly concerned about the plight of the homeless in Bristol, where they lived, and in Oxford, where they had studied. Both had volunteered for homeless charities while they were students, and this had taught them that homeless people often find it very difficult to rebuild their lives, even once re-housed. Most charities viewed homelessness as a housing problem and were concerned predominantly with providing accommodation and food. Harrod and Richardson came to believe that the approach taken by these organizations was fundamentally flawed because it focused mainly on the effects of homelessness and did not address its underlying causes. They thought that the most significant factor underpinning homelessness was a lack of the basic skills necessary to sustain employment and felt that a business offering paid jobs, training, and support to the homeless offered a more sustainable mechanism through which to tackle the problem than the conventional charity-based approach.

Although they had little commercial experience, they decided that they would create a business—which they named Aspire—specifically to employ homeless people. They drew their inspiration in part from two other organizations founded in the early 1990s—the Big Issue and Emmaus—that provided employment opportunities for homeless people, but they wanted to take this approach much further. Specifically, both the Big Issue and Emmaus were charities that relied heavily on contributed income in the form of donations and government grants. By contrast, Harrod and Richardson were adamant that Aspire should be a standalone business that was self-sustaining and allowed investors a financial as well as a social return on their investment. At the same time, the goal of the business was to help the homeless rather than generate wealth for its owners.

Aspire Bristol was launched “on a shoe-string” in September 1998. The business model that Harrod and Richardson decided to adopt was based upon established and successful British for-profit household catalogue delivery firms such as Betterware and Kleeneze. In part this was because Harrod had worked part-time for Betterware while he was a student and therefore had an understanding of how the business model worked, but the low barriers to entry and the generic and relatively simple nature of the skills required of employees were also important factors.

The business worked in the following manner. Harrod and Richardson, with the help of a small team of volunteers, were responsible for designing the catalogue and sourcing the products, as well as finding and recruiting employees from the homeless community in Bristol. Six homeless people were employed at any one time. The employees were responsible for posting the catalogues through letterboxes and then collecting the resulting orders from around the city. Once the orders had been collected, Harrod and Richardson put the orders together and delivered them to households each weekday evening. Time was also allocated to provide support to employees in the form of literacy and numeracy classes and help with other basic employment skills. Sales during the first 18 months were quite strong, helped in part by support from the local media. Their early success led the entrepreneurs to believe that they had developed a novel way of supporting the homeless that had major potential for expansion.

During the first part of 2000, Harrod and Richardson considered the possibilities for growing Aspire and establishing it as a commonly accepted organizational form for tackling homelessness across the United Kingdom. They felt that franchising offered a quick and cost-effective mode of expansion that would also allow them to retain a degree of control. During July 2000 they started work on an ambitious franchise strategy that envisioned around 30 outlets by the end of 2003. Each franchise would be a replica of the Bristol model, buying catalogues and goods directly from a central warehouse and distributing to customers locally.

Toward the end of 2000, they persuaded a prominent social investor to commit £400,000 to fund the franchise program. A new company—Aspire Group—was formed as a vehicle for this investment, to lead the development of the franchise operation. The idea of tackling homelessness through social enterprise also captured the imagination of the UK government, which took a strong interest in the business and actively promoted it across the country. Between September 2000 and September 2001, nine franchises opened in London, Birmingham, Sheffield, Brighton, Cambridge, Manchester, Blackpool, Oxford, and Southampton.

Aspire’s Business Failure

After just a few months, however, it became clear that there were problems with the business model developed by Harrod and Richardson. All of the new franchises were losing money, and this led in turn to financial difficulties for the Aspire Group. By the end of 2001, two of the franchises had closed because of an inability to make the business model work. A number of problems became evident. In the first instance, the relatively narrow product range appeared to have limited appeal to customers, and sales were significantly lower than projections across the network. In addition, the difficulties of managing and supporting homeless and ex-homeless people, many of whom were battling drug and alcohol addiction, placed severe strain on the regional managers.
Moreover, the commercial skills required to build a national catalogue business with a chain of operations in 10 cities across the United Kingdom differed markedly from those required to operate a single outlet. Although the model developed by the entrepreneurs proved quite effective in supporting the homeless, Harrod and Richardson struggled to build the infrastructure required for a nationwide business and to scale up their activities. For example, they were unable to create an effective central warehousing and distribution system or to build a workable system of financial control across the franchises.

Confidence in the business quickly drained away. Franchise licenses were drawn up but remained unsigned, and the Aspire Group was forced to put the planned expansion to 30 franchises on hold. The relationship between the franchisees and the Aspire Group became increasingly tense and fractious as the Aspire Group sought to cut costs and improve the profitability of the business: Franchisees lost faith in the Aspire business model, and the Aspire Group became frustrated at what it perceived as the franchisees’ inability to operate the model effectively. The financial problems led to an increasingly narrow focus on profitability and a perceived dilution of Aspire’s social goals.

In July 2003 the Aspire Group faced a cash flow crisis and put payments to creditors on hold. A working party was commissioned with a view to producing a restructuring strategy. However, the plan they developed was never fulfilled. In September 2003, Harrod stepped down as CEO. In February 2004, an insolvency specialist was brought in and the Aspire Group began to be wound up.

Homelessness and Social Enterprise:
A Denouement

The collapse of arguably the most high-profile UK social venture of its time shocked the social enterprise movement and inflicted a blow to its credibility as a viable alternative model for addressing homelessness. Yet five years after Aspire was wound up, social enterprise has become central to the way that homelessness is tackled in the United Kingdom. There are no precise data on the number of social enterprises involved in supporting the homeless, but one of our respondents—a senior consultant providing advice to social enterprises that employ homeless people—estimated that of the 800 nonprofit organizations in the United Kingdom that support homeless people, “around 80 percent use social enterprise to a greater or lesser extent to achieve their objectives.”

Whereas some organizations such as Bikeworks (founded in 2007) are standalone businesses like Aspire, others such as Streetshine (founded in 2004) are subsidiaries of much larger charities. For these organizations, social enterprise is part of a broader series of measures—including “traditional” approaches such as providing food and shelter—used to help homeless people. According to one of our respondents,

To be a serious player in homeless support these days you’ve got to be involved in social enterprise. All the major players are involved now, even if it’s not necessarily their sole focus.

This view suggests social enterprise has become a highly legitimate and widely practiced approach to addressing homelessness within the field of homeless support. Because social enterprises that employ homeless people are operating alongside mainstream retail businesses, it also suggests that the organizational form has obtained a degree of legitimacy within the field of for-profit retail. Although it is difficult to measure the precise effect of Harrod and Richardson’s actions, it is clear that the organizational form developed during the founding of Aspire continues to be influential. Although the model currently used by most social enterprises has been adapted somewhat from Aspire’s approach—bike repair and window cleaning are the favored business models, and in an effort to build sustainability enterprises appear to be much more selective in their recruitment of the homeless—the essential features and objectives of these organizations are the essentially the same as the Aspire template; they seek to “provide homeless people with an opportunity to learn a skill and get back into regular employment.” They do this through the creation of businesses designed specifically to employ homeless and ex-homeless people. One of our respondents, a social entrepreneur who was connected with Aspire and who retains an involvement in social enterprise homeless support, commented,

Looking back it’s hard to believe how big Aspire was. I still remember vividly the day Tony Blair was pictured leaving Aspire in London. It was incredible really. I think it’s hard to imagine that we would be in the position we are today if it wasn’t for Paul and Mark. . . . Even though things didn’t work out in the end, they raised awareness about the whole thing and other people picked up on that.

A Model of Bridging Institutional Entrepreneurship

By mid-2002, Harrod and Richardson had created a new form of organization underpinned by a new logic for dealing with homelessness: Aspire Bristol was both a business successfully competing against other catalogue companies and a charity supporting homeless people through employment and a range of support services. As noted, Aspire was not the only, or even the first, non-profit venture in the United Kingdom to provide employment opportunities for homeless people. Unlike other organizations, however, Aspire was set up as a business venture that the founders were adamant should be commercially viable and not rely on grants or other sources of contributed income, as a venture that was promoted to investors both in terms of its social objectives and its capacity to generate a financial return. Indeed, Aspire
was one of the first social enterprises in the United Kingdom to obtain investment from a social venture capital fund (McCurry 2003).

One of Aspire’s investors commented that the venture was “pushing the envelope of possibility around social enterprise.” Lucy Russell, Chief Executive of the Big Issue Foundation, also stressed the novelty of Aspire’s approach to addressing homelessness:

I think there is a crisis of thinking in the homeless sector at the moment . . . . But Aspire is doing something new. Homeless people need to be able to reclaim their identity and there is no better way of finding an identity than through a job. (O’Hagan 2001, p. 12)

We therefore contend that the new form created by Harrod and Richardson constituted a distinct strategy for tackling homelessness in the United Kingdom. To develop this new form, the entrepreneurs combined elements of two established logics—the logic of for-profit retail and the logic of nonprofit homeless support—through a process of bridging institutional entrepreneurship.

Institutional Work and Bridging Institutional Entrepreneurship
We now return to our research question and provide some initial answers about how the entrepreneurs in our case were able to establish a new kind of organization. In examining our data we found that Harrod and Richardson engaged in six distinct types of institutional work as they sought to fuse together aspects of two established logics to create a new form: framing the problem, counterfactual thinking, building the organizational template, theorizing the organizational template, connecting with a macrodiscourse, and aligning with highly legitimate actors.

Our coding also revealed that these six forms of institutional work clustered around three levels of analysis: the individual level (which we labeled the micro level), the organizational level (which we labeled the mesolevel), and the societal level (which we labeled the macrolevel). We found that the institutional work at each of these levels was associated with a particular outcome. Thus institutional work at the micro level was associated with opportunity recognition, institutional work at the mesolevel was associated with the design of the organizational form, and institutional work at the macrolevel was associated with the legitimation of the organizational form. Note that our model assumes that the institutional work at each of these levels is carried out by the institutional entrepreneurs, not that actors at different levels are in charge of this institutional work.

Microlevel Institutional Work: Opportunity Recognition
Based on our data analysis, there were two types of micro level institutional work performed by the institutional entrepreneurs. One the one hand, Harrod and Richardson reframed the problem of homelessness in a particular way, and recognized that the current institutional arrangements were not capable of solving it. On the other hand, they developed an alternative solution that drew on elements of two very different institutional logics that appeared contradictory in key respects. We refer to the first part of this process as problem framing and the second part as counterfactual thinking. Engaging in these strategic behaviors led the entrepreneurs to recognize the opportunity for their organizational form.

Problem Framing. For Harrod and Richardson, the motivation to build a new organizational form was rooted in their experiences of volunteering for charities that supported the homeless and in particular from their assessment that the existing way of supporting the homeless community was failing. Both men were moved by the plight of the homeless people they encountered but believed that existing initiatives—which focused primarily on providing food and shelter—were letting homeless people down. According to Harrod,

The usual approach to helping the homeless . . . is to find them a house . . . . But if you stop there, all you get is homeless people in houses and all the problems that got them there in the first place. (Trapp 2000, p. 6)

Thus for Harrod and Richardson homelessness was more than a simple lack of housing; it was rather the result of a complex set of individual and social factors. They believed that simply giving food and shelter to homeless people was counterproductive because it gave them little incentive to change their situation and it did not equip them with the skills or experiences to improve their opportunities. Moreover, homeless people’s lack of basic employment skills, the absence of the support structures needed for them to make the transition to stable employment, and employers’ reluctance to offer jobs to people with no fixed abode essentially left the homeless trapped. Harrod stated,

The problems of homelessness have always been an issue for us. We felt that the difficulties that homeless people have in getting full-time job opportunities make it almost impossible for them to change their situation. (MacDonald 2001)

From this perspective, current approaches to helping homeless people could never provide a viable or long-term solution to homelessness.

The entrepreneurs were also concerned that the New Labour government was downplaying homelessness in the United Kingdom. It had implemented a series of initiatives to tackle the problem since coming to power in 1997 and claimed that these initiatives had reduced the number of “rough sleepers” during its first three years of office by 83%. However, this did not correspond with Harrod and Richardson’s experiences; they believed that the problem of homelessness remained deep-rooted and
widespread and were angered by what they perceived as government efforts to portray the issue as having effectively been solved. Richardson argued,

The count the government did is based on someone going out on the streets and seeing how many people they can find sleeping rough. But when people are out on the streets they want to go somewhere private... without being disturbed. They don’t want to be found. Also, the government figures are specifically about rough sleepers but homelessness extends much further than that. It can also be defined as people sleeping on friends’ floors, in hostels and in shelters and even B&Bs, which may not have been included. (Farley 2001, p. 7)

In the case of Aspire, the entrepreneurs were helped in their problem framing by the fact that both had volunteered for charities involved in supporting the homeless. This provided them with sufficient knowledge of the logic of homeless support. At the same time, because their participation was on a part-time basis and limited to the three years that they were at university, they were not “over-embedded” in this logic, allowing them to see more easily that the current institutional arrangements were not working sufficiently well. They were therefore able to think beyond the highly institutionalized assumptions about how to support homeless people that existed at that time.

It is important to note that problem framing is a type of institutional work that is rooted in the interests and experiences of the institutional entrepreneur; the field of homeless support was not characterized by a set of objectively defined weaknesses. Rather, Harrod and Richardson’s diagnosis of the problems facing homeless people required a particular kind of insight. Although there was broad agreement that the existing arrangements were not working for everyone, different actors interpreted the problem in different ways and the nature of the problem itself was a source of considerable disagreement. Some actors involved in homeless support called for more government funding; some argued for charities to use money more effectively. The government, as noted above, argued that great progress was already being made within the current system. For Harrod and Richardson, on the other hand, existing institutional structures were unsuitable for helping homeless people because they were designed to solve the wrong problem.

Based on our analysis, we therefore argue that problem framing constitutes an important part of the process of bridging institutional entrepreneurship. This form of institutional work involves the identification and expression of a novel understanding of the problem at hand and may involve refocusing attention on alternative aspects of a complex issue. Central to this form of institutional work is the articulation of the newly framed problem in a way that is likely to resonate with the interests of other actors. Problem framing provides the necessary motivation for the institutional entrepreneur to begin to develop a new organizational form as part of the solution to this “new” problem.

Counterfactual Thinking. Although reframing the problem of homelessness was an important step at the micro level, our analysis of the case also revealed that Harrod and Richardson engaged in a particular kind of counterfactual thinking—a set of cognitive processes that allows actors to envision unexpected or unusual approaches (Roese and Olson 1995)—in order to develop a novel solution to the problem of homelessness. Although this form of cognition is often concerned with the past, our analysis suggests that the capacity to imagine alternative futures through forward counterfactuals represents an important kind of institutional work in bridging institutional entrepreneurship. Specifically, we found that the entrepreneurs’ creativity and imagination allowed them to visualize a new institutional configuration that was counterintuitive and contrary to the accepted wisdom among homeless support organizations.

For Harrod and Richardson, the stimulus that activated the counterfactual thinking process was their concern at the plight of homeless people in the United Kingdom and their doubts about the effectiveness of orthodox approaches to addressing homelessness, as noted in the previous subsection. They believed that to tackle the problem of homelessness in a meaningful way they had to tackle the “root causes, not the symptoms.” For the entrepreneurs, this involved creating an organization that provided training and support for the homeless, as well as stable employment and a guaranteed wage, so that homeless people could reintegrate into mainstream social structures. In other words, they developed a tangible desired outcome and then began to imagine how current institutional arrangements might be altered and the kind of organization that might be needed in order to achieve that outcome.

Harrod and Richardson wanted to try something different and had the idea that a business that provided employment offered a better vehicle for helping homeless people than a nonprofit organization that provided shelter. By building a business specifically to employ and support the homeless, they saw an opportunity to create a hybrid organizational form that addressed homelessness more effectively. The decision to base their business model on existing household catalogue firms came when Harrod took a “holiday job” for a company selling household items door to door. Their idea was to create an organization that combined the charitable activities of nonprofit homeless support organizations with for-profit retail activities.

Harrod and Richardson reasoned that this new organizational form would have several advantages over conventional approaches. First, it would provide homeless
people with a stable income so that they could afford to pay for their own accommodation and a motivation to improve their lives. Second, it would take homeless people into the employment market by teaching them the expectations associated with employment. Third, it would provide a mechanism to deliver training and other support to homeless people. Finally, it would allow the entrepreneurs to acquire the resources to tackle homelessness in a sustainable way and to overcome the short-term financial horizons that characterize many nonprofit organizations that are dependent upon external subsidy.

It is not our contention that the role of counterfactual thinking is unique to bridging institutional entrepreneurship. However, given that counterfactual thinking is fundamentally about challenging assumptions, investigating underlying causes, and generating provocative solutions to particular issues (Gaglio 2004), we believe that it is particularly relevant to institutional entrepreneurs who seek to create a new organizational form by bridging multiple institutional logics. Moreover, counterfactual thinking in this context is distinctive because institutional entrepreneurs need a particular kind of insight to think beyond the current institutional arrangements and realize that there is an opportunity to combine elements of different logics.

Mesolevel Institutional Work: Design of the New Organizational Form

Our analysis also revealed that bridging institutional entrepreneurship involves institutional work at the organizational—i.e., the meso—level. Specifically, through our coding we identified two distinct types of institutional work at this level of analysis. The first is building the organizational template: drawing on multiple established logics and their associated practices and organizational forms in order to establish the characteristics of the organization and the mechanics of its operation. The second is theorizing the organizational template: articulating the essence of the hybrid logic underpinning the new organizational form and explaining and justifying its core elements so that it can be readily understood by actors inside and outside the organization.

Building the Organizational Template. To create their new organizational form, Harrod and Richardson developed a set of structures and practices that would guide the behavior of organizational members and that became the basis of the new organizational form. They began by taking the conventional household catalogue business model with a for-profit logic—exemplified by the industry leaders Betterware and Kleeneze—and reconfiguring it so that it was capable of employing and supporting employees who were homeless. Specifically, in an effort to improve the employment conditions and levels of care available to homeless people, Harrod and Richardson drew on approaches and practices from the logic of nonprofit homeless support—exemplified by leading charities such as Centrepoint, Crisis, and Shelter—and integrated them into the business model. In doing so they made three significant changes to the business model, the result being a new organizational template.

First, household catalogue firms such as Kleeneze and Betterware do not directly employ their sales team, preferring instead to shift the majority of the risk and responsibility to the self-employed salesperson who, often working part-time, delivers and collects the catalogues and only makes money on sales achieved. However, Harrod and Richardson deemed commission based pay unfair, so employees were offered a flat rate irrespective of sales—the stability of full-time paid employment was a crucial component of the founders’ vision. According to Harrod,

Most catalogue companies pay employees through commission so you secure your profits first, then pay the staff. But we believed it was important that staff should secure take-home pay, so we paid the staff a guaranteed wage, as well as investing in their training and development.

(Third Sector 2004)

Second, unlike traditional household catalogue businesses that try to retain their best sales people, Harrod and Richardson decided that Aspire should try where possible to move their employees on to other employment. Thus in addition to a business coordinator who was responsible for the management of the catalogue business and for ensuring products were delivered to customers, Harrod and Richardson decided to use a network of personal support workers to help employees reintegrate into mainstream employment structures. Most notably, employees were given support with literacy and numeracy, with job applications and CV writing, with information about further training and employment opportunities, with time keeping and budgeting, with overcoming alcohol and drug dependencies, and with finding accommodation and navigating the UK housing system. Crucially, the support workers had no direct involvement in the management of the business or its finances. The separation of Aspire’s social and business functions was therefore formalized in its division of labor.

Third, rather than sell traditional household items, Aspire focused on a range of “fair trade” products such as Café Direct merchandise as well as a range of “gift items” such as wooden puzzles, games, and picture frames. This, it was felt, would differentiate the business from its established competitors. Also, Harrod and Richardson were determined that the business should seek to be socially responsible wherever possible, and the sale of fair trade products was another strand to their social mission:

We want to help people here in England, but not if it’s at the expense of producers in Africa or Asia. . . . That would undermine what we are trying to achieve.

(O’Hagen 2001, p. 12)
As Aspire sought to expand beyond the original outlet in Bristol, Harrod and Richardson again began with the for-profit catalogue model and sought to adapt it. Thus rather than organizing Aspire outlets as semiautonomous branches, the usual mode of organizing in the nonprofit sector, new outlets were organized as franchises. By using a franchise structure Harrod and Richardson were able to build a shared infrastructure and common brand, which helped to reduce the costs of expansion. Moreover, through the franchise agreement Harrod and Richardson were able—at least initially—to retain an element of control and to ensure that the logic underpinning their new organizational form was faithfully recreated in the new outlets. Thus in addition to specifying the business model in the franchise agreement, they required franchisees to commit to the social objectives of the business and the support structures that Harrod and Richardson had established in the original Aspire in Bristol. According to one of the franchisees,

The great thing about Aspire was that the model would employ people all year round. We'd been running employment preparation courses [for the homeless] in local churches, but we saw Aspire as an opportunity to massively increase our ability to get [homeless] people into work . . . . But the great thing about Aspire was it was going to be self-financing . . . . I was really excited about the fact that we could be part of a franchise that was self-financing and that provided some sort of return for investors, but also had a social benefit that was beyond what we were able to achieve ourselves.

In sum, based on our analysis we found that Harrod and Richardson engaged in a conscious effort to build a new organizational template that addressed the problem they had reframed and that this constitutes a key form of institutional work in bridging institutional entrepreneurship. In doing so, the entrepreneurs drew strategically on existing institutional logics. Specifically, they treated the logics of for-profit retail and nonprofit homeless support and their associated practices and organizational forms as a kind of “cultural toolkit” (Swidler 1986) from which they produced the basis of a new organizational form for tackling homelessness.

**Theorizing the Organizational Template.** We found that in addition to building the organizational template, Harrod and Richardson sought to justify the template to key organizational stakeholders operating according to multiple logics and to distill the logic underpinning the new organizational form in a way that was understandable to these stakeholders. They realized that the organization needed to “make sense” to stakeholders who were accustomed to different structures, practices and systems of meaning. This involved a process of theorization and more specifically the development of an overarching theory that drew on elements of multiple logics and that formed the foundations of the new logic on which Aspire was based. This process was designed to convey the purpose of the new organizational form, to articulate the basis upon which it operated, and to explain why it was a superior approach compared to conventional charity-based initiatives. The new logic that the entrepreneurs developed was designed to appeal to actors accustomed to the logic of for-profit retail and the logic of homeless support.

First, appealing to potential investors, they emphasized that Aspire was a for-profit venture and that it had to generate financial surpluses in order to survive. Specifically, they organized the different branches of Aspire as “franchises” to highlight their commercial nature and they emphasized that they were creating a “sustainable business” that was competitive and able to generate profits. Harrod, for example, emphasized that to do otherwise was little more than “charity”:

> We want to be self-sustaining and not reliant on donations . . . . We want our employees to feel they are making a contribution to a business venture. (O’Hagan 2001, p. 12)

Second, appealing to potential customers, the entrepreneurs emphasized that the organizational form, while a business, was capable of generating significant social benefits for the homeless. For example, early catalogues carried the slogan “Not just another catalogue: Someone else’s opportunity: Don’t throw it away.” Although Harrod and Richardson also talked about “good quality products” and the need to appeal to “mainstream” markets, they sought to emphasize the social outcomes of the business in the hope that it would distinguish it from its competitors in the minds of consumers.

Third, appealing to potential employees and other actors involved in homeless support, Harrod and Richardson emphasized aspects of their organization and their own backgrounds that were consistent with orthodox approaches to tackling homelessness. For example, they operated an “open door policy” and stressed that any homeless person, regardless of experience, skills, or personal circumstances, would be given an opportunity to work. They also emphasized that creating a business allowed homelessness to be tackled more effectively than by conventional charities. Specifically, by generating revenues through trading, the organization could plan for the long term and build organizational capacity in a way that was beyond the scope of homeless support organizations that were dependent on government and other external sources of finance. Consider the following quotation from Harrod:

> Some charities spend 60–70p for every £1 they raise. They give away £5,000 to a project, then it’s spent, and the charity has to do it all over again. We’re recycling the money, making it grow. (Topping 2001, p. 35)

Although this strategy could be interpreted as denigrating the logic of nonprofit homeless support, it did
succeed in tapping directly into the commonly voiced doubts about the financial sustainability of existing non-profit organizations (Cowe 2002). The new organizational form received little resistance from trustees, staff, and volunteers in other homeless support organizations and was generally viewed as complementing existing approaches to tackling homelessness (O’Hagan 2001).

We therefore suggest that theorizing the organizational template—and more specifically distilling the essence of the organizational form to help actors used to operating according to different logics understand the new logic—is an important kind of institutional work that plays a key role in the creation of new organizational forms through bridging institutional entrepreneurship. This finding resonates with recent work in entrepreneurship, which suggests that “stories” about a given firm and how it fits within a prospective market are important for “conveying a comprehensible identity for an entrepreneurial firm” and “elaborating the logic behind proposed means of exploiting opportunities” (Martens et al. 2007, p. 1110).

Macrolevel Institutional Work: Legitimation of the Organizational Form

In addition to institutional work at the micro and mesolevels, our data analysis revealed that institutional work at a macrolevel is required to confer legitimacy upon new organizational forms. Specifically, we found that connecting with a macrolevel discourse and aligning with highly legitimate actors gave Harrod and Richardson the “right to voice” (Maguire 2002, p. 86) in societal discussions about homelessness and social enterprise. The entrepreneurs were able to leverage their position to legitimate their new organizational form and convince a range of actors from multiple fields about its viability.

Connecting with a Macrolevel Discourse. The institutional entrepreneurs in our case drew on a wider macrolevel discourse—“the broad discourses and associated sets of institutions that extend beyond the boundaries of any institutional field and are widely understood and broadly accepted in a society” (Lawrence and Phillips 2004, p. 691)—as part of their strategy to legitimate their approach to supporting the homeless. Specifically, they tapped into a “third way” discourse in the United Kingdom that advocated a role for the market in addressing social issues, which was central to the philosophy of the then recently elected “New Labour” government. Although Aspire’s emergence coincided with a sharp increase in consumer awareness and confidence in ethically marketed products (Nicholls and Opal 2005), it was the Blair government’s decision to invest considerable resources in developing an environment conducive to social enterprise that formed the focus of the entrepreneurs’ institutional work in this regard.

For example, the government created a “Social Enterprise Unit,” whose remit was to “promote and champion social enterprise” (DTI 2002, p. 12), appointed a minister with responsibility for social enterprise, and published a “Social Enterprise Strategy” that outlined the government’s vision for the sector. Tony Blair became a vociferous supporter of social enterprise, which increasingly formed a core strand of his government’s social and economic policy. In 2002 he declared,

Our vision is bold: social enterprise offers radical new ways of operating for public benefit. By combining strong public service ethos with business acumen, we can open up the possibility of entrepreneurial organisations—highly responsive to customers and with the freedom of the private sector—but which are driven by a commitment to public benefit rather than purely maximising profits for shareholders. (DTI 2002, p. 5)

It was by tapping into these macrolevel narratives that Harrod and Richardson were able to amass legitimacy for their organizational form. To communicate their views and participate in this societal discourse, the entrepreneurs courted the national media. Most notably, they gave interviews to regional and national newspapers (including the Times, the Guardian, and the Independent) in order to explain their position on homelessness. Consistent with Blair’s rhetoric, Harrod and Richardson emphasized that social and commercial objectives were complementary rather than contradictory and that Aspire could operate as viable businesses as well as achieving important social outcomes. For example, Richardson said that Aspire’s business model “recognizes a business can have social objectives and still work as a business” (Rigby 2000, p. 17), and Harrod commented that “this is not about handouts. This is a business, business could nothavebeenlaunchedatabettertime. (Trapp 2000, p. 6)

Aspire has also picked up support from other groups aiming to help the thousands of people living on Britain’s streets, including the Government’s Rough Sleepers Unit. Since Tony Blair has made backing “social entrepreneurs” a hallmark of his government’s policy, the business could not have been launched at a better time.

Thus our analysis suggests that connecting with a macrolevel discourse through a “skillful and imaginative” (Zott and Huy 2007, p. 83) process of linguistic management is an important form of institutional work that allows bridging institutional entrepreneurs to disseminate their message and to begin to legitimate their new organizational form. In particular, we consider that obtaining the right to voice among a range of different actors provides institutional entrepreneurs with a powerful strategic device that they can leverage to support to their claims.
Aligning with Highly Legitimate Actors. Harrod and Richardson sought to capitalize on Aspire’s increased profile to engage in a second kind of macrolevel institutional work, which involved building relationships with highly legitimate actors. The actors with whom they aligned themselves included prominent figures in politics and the media as well as senior figures in business and the nonprofit sector. Specifically, they were able to develop important contacts and then leverage these contacts to legitimate themselves as actors who were competent to comment on homelessness, its causes and potential solutions, and to suggest a new approach to tackling it. Some of these contacts occupied very high-profile positions and even included members of the Royal Family:

Prince Charles has praised a Bristol project’s plans to fight homelessness in the city. He has written a personal letter to Mark Richardson and Paul Harrod, joint co-ordinators of . . . Aspire Community Enterprises Ltd., which was set up in May. In his letter, Prince Charles said: “. . . Homelessness has become a chronic problem in society and I was fascinated to read about your proposals to combat it in Bristol.” (Rigby 1999, p. 25)

The entrepreneurs also developed significant relationships within government and policy circles. For example, Harrod was asked by the Department of Trade and Industry to advise on social enterprise policy. Moreover, both Harrod and Richardson served on a government-led workgroup set up to examine whether social enterprises were disadvantaged in capital markets. In addition, Richardson served on a workgroup designed to look at ways of raising the public profile of social enterprise, and Harrod served on a workgroup that considered the legal and regulatory environment in which social enterprises operated (DTI 2002).

Because of their increasing public profile and political influence, Harrod and Richardson were able to build relationships with senior politicians, who began to use the example of Aspire as evidence of the potential of social enterprise. The London Evening Standard even reported that Tony Blair “took time out to do a little Christmas shopping as he visited Aspire” (London Evening Standard 2001, p. 6). The so-called “Homelessness Czar” (appointed by Tony Blair to tackle homelessness in Britain) also took a strong interest in the venture and its founders. In addition, Aspire’s early success allowed the entrepreneurs to connect with the leaders of established nonprofit organizations such as the Big Issue and Centrepoint as well as with senior business leaders in high profile companies such as Marks and Spencer, who were interested in promoting a corporate social responsibility (CSR) agenda.

The legitimacy Aspire obtained at a societal level through the entrepreneurs’ macroinstitutional work helped Harrod and Richardson to legitimate their form and logic among key actors in the nonprofit and for-profit sectors. For example, a spokesman for Julian House, a charity that provides food and shelter to homeless people (and a fairly typical example of a nonprofit organization involved in supporting the homeless), responded to Aspire’s growing media profile by commenting,

This is really what homeless people need as they do face great difficulties trying to find and keep work, even if they are capable of doing the job . . . We would welcome working with projects like Aspire . . . There are not many projects about to help homeless people find work and keep a job so we welcome this latest one and hope the success it has had in Bristol will carry on . . . It isn’t just about their financial needs; having a job and finding a place to live will help build up their self esteem, which will make it easier for them to make a fresh start. (Evry 2001, p. 12)

At the same time, Aspire established a high degree of legitimacy among key private sector actors. For example, in 2000 Harrod and Richardson were awarded joint second place in the Shell LiveWIRE Young Entrepreneur of the Year Awards, a high-profile award which is “all about recognising and rewarding the achievements of young people in business.” Harrod and Richardson were the first social entrepreneurs to be recognized in this way, a significant achievement given the awards’ commercial focus and the fact that entries are assessed on their “viability and potential” as businesses.9 They also won the PricewaterhouseCoopers Leaders of Tomorrow award, a competition designed to identify up and coming business talent. On presenting the award, a spokesman for PricewaterhouseCoopers, commented,

Ambition, determination, business acumen and forward planning are the qualities which belong to Paul and Mark. (Bristol Evening Post 1999, p. 24)

To conclude, we argue that aligning with highly legitimate actors is an important kind of institutional work associated with bridging institutional entrepreneurship. The institutional entrepreneurs in our case were able to connect with a range of high-profile actors from multiple fields, thereby augmenting the legitimacy of their activities. Our analysis suggests that these connections played a significant role in the success of their institutional project: organizational forms need legitimacy to be viable (Rao et al. 2000), and this type of macrolevel institutional work constitutes a key way in which legitimacy can be developed.

Discussion and Conclusions

Our objective in this study was to understand how institutional entrepreneurs draw on elements of multiple existing logics to build a new organizational form with its own distinct logic, a process we term bridging institutional entrepreneurship. Through our analysis of an in-depth case study of two entrepreneurs and the new organizational form they created, we found that this
type of institutional entrepreneurship involves six distinct types of institutional work: framing the problem, counterfactual thinking, building the organizational template, theorizing the organizational template, connecting with a macrodiscourse, and aligning with highly legitimate actors. A second finding is that bridging institutional entrepreneurship is a multilevel process entailing institutional work at three discrete levels of analysis: the individual, organizational, and societal levels. A third finding is that institutional work at each of these levels plays a different but complementary role in the creation of the new organizational form. It is important to emphasize, however, that we do not consider the activity at these levels to constitute temporal phases; rather we observed a fluid process where the institutional entrepreneurs moved iteratively among the different types of institutional work and across the levels.

Our study of bridging institutional entrepreneurs has resulted in a number of important insights into the relationship between organizational forms and institutional logics, the multilevel nature of institutional entrepreneurship, and the relationship between conventional entrepreneurship and institutional entrepreneurship. In this section we discuss these contributions in more detail and consider avenues for future research.

Organizational Forms and Institutional Logics

According to Dacin et al. (2002, p. 47), “the observation that multiple institutional logics exist and compete for attention points to the importance of examining the institutional arenas or relational contexts wherein such contests get played out.” By considering how two institutional entrepreneurs combined two discrete logics to create a new organizational form, our study has focused on one such arena. In the case of Aspire, the two logics that Harrod and Richardson bridged formed a kind of “cultural toolkit” of resources “which people can use in varying configurations to solve different kinds of problems” (Swidler 1986, p. 273).

In creating Aspire, Harrod and Richardson leveraged and creatively combined these resources. More specifically, they drew strategically upon a for-profit retail logic, with its associated set of practices and organizational forms, and a nonprofit homeless support logic, with its associated set of practices and organizational forms, to build their new organizational form. Indeed, the entrepreneurs explicitly sought to take the best from both worlds as they developed their new approach to homelessness. The new organizational form that the entrepreneurs created, and the new logic that underpinned it, was designed to appeal to actors accustomed to the logic of for-profit retail and the logic of nonprofit homeless support. Thus it could be argued that in creating Aspire, Harrod and Richardson produced a “boundary organization” (Guston 2001) sitting astride the two logics. For Guston (2001), boundary organizations are Janusian in nature because they are able to “project authority by appealing to either face in a strategic fashion” (p. 405) and to be responsive to multiple audiences.

This finding resonates with social movement and institutional research on institutional blending. For example, Rao and Giorgi (2006) use the example of Carlo Petrini—the institutional entrepreneur who founded the Slow Food movement by blending logics from the ecological and gastronomical movements—to highlight that the successful integration of multiple logics depends on the ability of institutional entrepreneurs to build relationships with actors in multiple domains. Our concept of bridging institutional entrepreneurship also resonates with Rao and Singh’s (1999) notion of “radical recombinations,” i.e., the formation of new organizational forms through the adding together and deletion of elements from existing organizational forms, which they argue is a particularly demanding approach to the creation of new types of organizations.

Interestingly, our analysis suggests that institutional logics influence behavior not by “defining ends of action, but in providing cultural components” (Swidler 1986, p. 273) that can then be used by institutional entrepreneurs to create new institutional configurations. Although these logics constituted resources that the entrepreneurs were able to leverage strategically, they also shaped their strategies of action in the sense that they limited the range of potential options available. Thinking about institutional logics as a kind of cultural toolkit helps to illustrate the mechanisms by which logics enable and constrain action (Weber 2006) and in doing so provides a more nuanced understanding of the concept.10

Our analysis of Aspire also highlights an important distinction between forms and logics. We observed that although the new organizational form created by Harrod and Richardson provided a template of practices—“bits and pieces” (Watkins and Swidler 2009, p. 174)—for actors to use, the new logic provided a “theorization” (Strang and Meyer 1993) that justified these practices, made the form comprehensible to a range of actors, and provided a motivation for its adoption and subsequent diffusion. In other words, a logic without a form is simply a way of framing or conceptualizing a particular problem and its solution without any indication of how it can be operationalized; an organizational form without a logic is simply a set of practices with no rationale for why these practices are needed or why they should be adopted. Although we recognize that more work is needed to more fully explore the relationship between logics and forms, we think this is an interesting finding which augments the Greenwood et al. (2010) assertion that organizational forms are “manifestations” of institutional logics.
Institutional Entrepreneurship as a Multilevel Process

Although a number of prominent scholars have highlighted the importance of developing multilevel theories in organizational research (e.g., House et al. 1995, Klein et al. 1999), institutional theory has focused mainly on the macroprocesses associated with institutionalization. Even the research on institutional entrepreneurship and change—in which agency takes center stage—has tended to focus on how individual or organizational actors, or both, influence field-level processes concerned with diffusion and legitimation. Yet scholars have acknowledged the microfoundations of institutional activity since the beginnings of new institutional theory. This is most obvious in the early work of Zucker (1977) and Meyer and Rowan (1977), but the microdynamics of institutions has received increasing attention in some more recent institutional research (e.g., Barley and Tolbert, 1997; Barley 2008; Powell and Colyvas 2008).

Although the renewed focus on microprocesses within new institutional theory is welcome, the distinction between micro and macro levels of analysis remains relatively undeveloped and disconnected from broader debates in social science. In sociology, for example, some researchers have sought to delineate multiple levels of analysis. Thus Duster (1981, p. 120) identifies “four, distinct complementary levels of inquiry,” and Harré (1981, p. 139) distinguishes “middle range collectives like families and organizations” from individuals at the micro level and “true macro concepts” such as social class. Of particular relevance to our theorizing is Ritzer’s (1985, 2000) “Microscopic-Macroscopic continuum” that assumes the social world consists of phenomena that vary greatly in size, which he divides into the micro, meso, and macro levels.

Consistent with Ritzer (1985, 2000), our model of bridging institutional entrepreneurship comprises three distinct levels of analysis. Specifically, we have argued that in addition to macrolevel institutional work designed to legitimate a particular institution, institutional entrepreneurs also engage in institutional work at the individual and organizational levels. By showing that the creation of new organizational forms requires both institutional work at the individual level to create an opportunity for a given institutional project, institutional work at the organizational level to design and theorize the mechanics of the organizational form, as well as institutional work at macro level to legitimate the new form, we highlight the multilevel nature of social action in general and institutional work in particular.

Our argument is that each of these three levels is interrelated and that we cannot understand how an organizational form comes to be legitimated at the societal level unless we also understand how an organizational template is actually constructed and theorized and how individual actors frame problems and develop novel solutions. As noted, we have not explicitly included a temporal component within our model. Although there may be a general sense in which micro-, meso-, and macrolevel institutional work occur sequentially in bridging institutional entrepreneurship (entrepreneurs clearly need to recognize an opportunity for a new organizational form before they can begin to design and ultimately legitimate it), our case suggests that the different levels are intertwined. Thus while the entrepreneurs were legitimating their organizational form they were simultaneously adjusting their organizational design and refining their framing of the opportunity that triggered their institutional entrepreneurship. In other words, bridging institutional entrepreneurship is a fluid and ongoing process in which the different kinds of institutional work occur in parallel rather than in series.

Entrepreneurship and Institutional Entrepreneurship

Our study also sheds additional light on the relationship between conventional entrepreneurship and institutional entrepreneurship. Although a number of researchers have argued that entrepreneurship and institutional theory are two areas of study that “have significant potential to be connected” (Phillips and Tracey 2007, p. 313), relatively little progress has been made to date in this regard. Two important insights emerge from our study of Aspire that help to clarify the relationship between entrepreneurship and institutional entrepreneurship. First, these kinds of entrepreneurship often occur simultaneously. Thus to build their venture, entrepreneurs (which may be individuals, organizations, or coalitions) may also need to engage in “purposive action” (Lawrence and Suddaby 2006, p. 216) to bring about changes in their institutional environment. In the case of Aspire this involved the entrepreneurs creating and legitimating a new organizational form, but in other cases it might involve, for example, the legitimation of a new technology, a new practice, or a new product.

Second, our study also suggests that although they may happen at the same time, entrepreneurship and institutional entrepreneurship rely on quite separate forms of action. Specifically, our findings suggest that the commercial skills needed to create a business venture are quite different from the kinds of institutional work required to influence the institutional environment. In the case of Aspire, Harrod and Richardson were highly skilled in the sorts of institutional work needed to envision, create, and legitimate their organizational form but lacked the commercial acumen to grow their venture and make it profitable on a large scale.

One possibility raised by our analysis is that bridging institutional entrepreneurship actually forms a barrier to the commercial success of a new venture: The effort and resources involved in the creation and legitimation of a new type of organization are considerable and may
detract from entrepreneurs’ efforts to build consumer demand and market presence and to develop the organizational competencies needed to grow the business. Research on firms engaged in radical innovation lends support to this position. For example, Min et al. (2006) found that pioneer firms that enter a new market with a new product tend to struggle simply to survive because they bear the cost of market ferment (see also Lilien and Yoon 1990, Golder and Tellis 1993). This suggests that the pattern we observed in the field of social enterprise homeless support, with the first mover facing major challenges to establish itself, may be quite typical in the context of bridging institutional entrepreneurship.

Interestingly, however, our research shows that despite Harrod and Richardson’s business failings and ultimately the collapse of Aspire, their organizational form did become legitimate and subsequently diffused across the fields of homeless support and nonprofit retail (as noted, there are currently an estimated 800 organizations in the United Kingdom that use social enterprise to address homelessness). Thus their vision was ultimately realized as other actors picked up on, exploited, and developed the organizational form that the entrepreneurs had introduced. This suggests the creation of a new venture can have important institutional effects even when that venture goes on to fail commercially.

We recognize that in general business failure is liable to have a significant adverse effect on the legitimacy of a new organizational form. However, it is interesting to consider why the failure of Aspire did not legitimate Harrod and Richardson’s institutional project. Our analysis of the 2008 interviews with informants from the homeless support sector suggests that part of the reason lies in the entrepreneurs’ capacity for promoting their venture and its achievements. Although it was quite widely known that the Aspire outlets were struggling commercially, the severity of the problems were not well known; there was also widespread confidence in the founders’ ability to turn the venture around as well as widespread admiration for the social outcomes that Aspire had attained. This encouraged other social entrepreneurs to adopt the template that Harrod and Richardson had created; a number of similar ventures had already appeared by the time Aspire collapsed, and their relative success sustained the legitimacy of the essential elements of the organizational form and the logic underpinning it despite Aspire’s demise in early 2004.

Also, by 2004 the social enterprise movement in the United Kingdom was much more developed than it had been in the late 1990s when Aspire was founded. The significant achievements of other high profile social enterprises in tackling a range of different social problems, combined with strong government support, appeared to create a widespread belief that “enterprise” has a potential role in dealing with almost any social issue, and this helped to establish the view within the homeless support sector that social enterprise has an important part to play in addressing homelessness. Had Aspire’s lifespan been shorter, and without these other developments in the field of social enterprise, we believe that it is unlikely that the form and logic developed by the Harrod and Richardson would have legitimated and diffused.

More broadly, our study highlights both institutional entrepreneurs’ potential to affect institutions strategically and the constraints that an institutional context can impose on the actions of institutional entrepreneurs. Thus although our study reinforces recent research in new institutional theory that has demonstrated actors’ capacity to exercise agency and “create a whole new system of meaning that ties the functioning of disparate sets of institutions together” (Garud et al. 2002, p. 196), it also suggests that institutional entrepreneurship is liable to be less linear and predictable than is often portrayed in the literature. Indeed, the case of Aspire highlights that institutional entrepreneurship may have unintended as well as intended consequences and that the institutional entrepreneurs who begin a given institutional project may not reap directly the benefits of their own efforts.

**Directions for Future Research**

Although we believe we make a number of important contributions to new institutional theory, our study also raises several intriguing possibilities for future research. First, we have highlighted one important way in which new organizational forms are created (i.e. by bridging established logics). However, as Rao et al. (2000) point out, new organizational forms are created in a number of different ways. Thus further research that sheds light on the processes required to create different kinds of organizational forms would make an important contribution to organization science. Moreover, the most intractable problems in society, such as global warming and poverty alleviation, are likely to require new organizational forms to address them; more generally, the “creative destruction” (Schumpeter 1950) that occurs when new organizational forms replace existing ones is a powerful driver of social change. Research in this area therefore has the potential to inform social entrepreneurs seeking to create new solutions to societal problems.

Second, the logics bridged by the institutional entrepreneurs in our case were from different organizational fields. However, given that recent research in new institutional theory has highlighted that fields may contain multiple logics that “compete for adherents” (Scott 2001, p. 140), it is important to investigate whether the process of bridging institutional entrepreneurship differs when the logics being bridged come from the same organizational field. It is possible that this represents a more common scenario than the one in our case because actors
are more likely to identify possible complementarities between different logics when they experience them in the same institutional context.

Finally, in this paper we have focused on the creation of new organizational forms through institutional bridging. However, it is likely that similar processes of institutional bridging might be used by institutional entrepreneurs as they work to create other kinds of institutions. For example, institutional entrepreneurs might bridge institutional logics to legitimate a new practice or a new technology. It would therefore be interesting to know whether the types of institutional work that we found to be important in the development of a new organizational form also apply to other types of institutions and the extent to which the bridging process differs when institutional entrepreneurs seek to create these other institutions.

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Appendix A. Interview Guide (Founders, Franchisees, Investors, and Board Members)
Questions to all respondents:
1. How did you become involved with Aspire?
2. What is Aspire and how does it achieve its aims and objectives?
3. How effective is Aspire in achieving its aims and objectives?
4. Is Aspire an effective way of supporting the homeless? What are the advantages/disadvantages?
5. Is Aspire a viable business model? How might it be improved?
6. Describe your experiences of the franchise system. Is it effective/ineffective? What are its advantages/disadvantages? What about communication within the franchise?
7. What are the lessons of Aspire’s experience for the homeless sector?

Additional questions to Harrod and Richardson:
1. Why did you decide to start Aspire?
2. Why did you adopt a franchise system?
3. What is your vision for Aspire? Has this changed?
4. What would you have done differently (if anything)?

Appendix B. Interview Guide (Social Entrepreneurs and Consultants to the Homeless Support Sector)
1. How long have you been involved in the homeless support sector? How did you become involved? Which organizations have you worked with?
2. Are you familiar with the case of Aspire? What are the main developments in the field since Aspire’s catalogue business collapsed? How would you describe the effect of Aspire on the homeless support sector?
3. How prominent is social enterprise within the homeless support sector now? Is social enterprise an effective way of supporting homeless people? What about compared to other approaches?
4. How do you see the future of social enterprise as an approach to supporting homeless people?

Endnotes
1. Rao et al. (2000, p. 240) specifically call for “more attention to be devoted to...the use of multiple logics by actors...in the study of new organizational forms.”
2. “A business with primarily social objectives whose surpluses are principally reinvested for that purpose...rather than by the need to maximize profit for shareholders and owners” (DTI 2002, p. 13).
3. Considerable ambiguity surrounds the term “meso” (which literally means “middle”) in organization science. We use the term “mesolevel” to refer the organizational level of analysis, but we note that the term “meso” is often used to refer to research which cuts across levels of analysis.
4. See Barley (2008) for an interesting discussion of this point.
8. See Gaglio (2004) for a comprehensive discussion of the distinction between forward and backward counterfactuals. Note that the notion of forward counterfactuals resonates with the concept of projective agency in institutional theory. However, although both concepts are concerned with imagining the future, forward counterfactuals are deliberate and strategic, whereas projective agency is “deeply grounded in habitual, unreflected, and mostly unproblematic patterns of action by means of which we orient our efforts in the greater part of our daily lives” (Emirbayer and Mische 1998, p. 975).
10. See Weber (2005) for an interesting discussion of cultural tool kits “at the level of the repertoire” rather than the level of the field, and the analysis from Rao et al. (2005) for how the logic of nouvelle cuisine was substituted by that of haute cuisine in France during the late 20th century as a result of actors “tinkering” strategically with practices from different domains.

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