

**Rediscovering Variety within Capitalism**  
**A Programmatic Research Agenda on Social Enterprise**

Johanna Mair  
Berlin 2025

# Research on organizations, institutions and societal challenges

How do organizations affect social change, create social impact, and contribute to (or stifle) societal (social, economic, political) progress?

Three programmatic areas

1. Social innovation as a field of practice that continues to evolve
2. Unconventional forms and ways of organizing in the economy and society
3. Mechanisms of transformation and change

...with a future in each but a need to expand our analytical and theoretical repertoires

# 1. The evolution of a field of practice

- A focus on fields and collective efforts
  - Corporate practices that help recast business in society
  - Social entrepreneurship: persistent category ambiguity
  - Impact investing: convening front and backstage in field building projects; the assembly of a field ideology.
  - Open social innovation: collective and participatory approaches
  - Political Innovation: protecting and strengthening democracy

## Markers to describe research

- Real-time, in-situ, over time
- Insider / outsider
- “in conversation” and act as learning partners

Article

### Sustaining the Integration of Social Objectives Over Time: A Case-Based Analysis of Access to Medicine in the Pharmaceutical Industry

Myrto Chliova<sup>1</sup>  
Aalto University, Finland

Johanna Mair<sup>2</sup>  
Hertie School, Germany  
Stanford University, USA

Alfred Vernis<sup>3</sup>  
EAEK-Basque Univ. University, Spain

Organization Studies  
1:34  
© The Author(s) 2020  
Article reuse guidelines:  
sagepub.com/journals-permission  
DOI: 10.1177/095008042095168  
www.sagepub.com/journalsPermissions.nav

Tobias Bänder<sup>1\*</sup>, Nikolas Rathert<sup>2\*</sup> and Johanna Mair<sup>1,3</sup>

\* Academy of Management Journal  
2018, Vol. 57, No. 4, 1174-1206.  
<https://doi.org/10.54053/ajm.2017.11021>

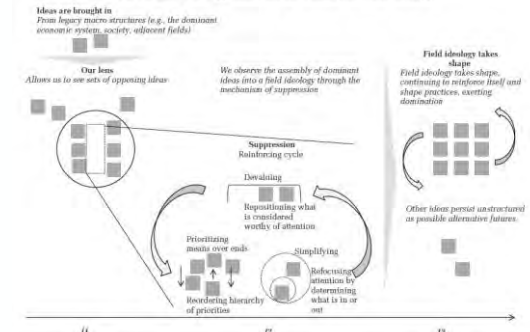
\* Academy of Management Journal  
2018, Vol. 57, No. 4, 1174-1206.  
<https://doi.org/10.54053/ajm.2017.11021>

## FRONT-STAGE AND BACKSTAGE CONVENING: THE TRANSITION FROM OPPOSITION TO MUTUALISTIC COEXISTENCE IN ORGANIZATIONAL PHILANTHROPY

\* Academy of Management Journal  
2019, Vol. 62, No. 6, 1672-1704.  
<https://doi.org/10.54053/ajm.2017.11022>

## THE ASSEMBLY OF A FIELD IDEOLOGY: AN IDEA-CENTRIC PERSPECTIVE ON SYSTEMIC POWER IN IMPACT INVESTING

FIGURE 3  
The Mechanism of Suppression and the Assembly of a Field Ideology



Policy Brief

## Strengthening Open Social Innovation in Germany

Lessons from #WirvsVirus

Prof. Thomas Gegenhuber, Leuphana University Lüneburg  
Prof. Johanna Mair, Hertie School and Stanford University  
René Lührsen, Hertie School  
Laura Thäter, Hertie School



## 2. Forms and ways of organizing

- Comparative analysis
  - Examine trajectories and pathways to impact
  - Expose variety within capitalism and welfare regimes
  - Emancipate theorizing social enterprise
    - Empirical exploration
    - Normative and positive theorizing



### Social Enterprises as Agents of Social Justice: A Rawlsian Perspective on Institutional Capacity



### Organizing for Society: A Typology of Social Entrepreneurial Models

Johanna Mair · Julie Battilana · Julian Cardenas

### CHAPTER 9

LET'S TALK ABOUT PROBLEMS:  
ADVANCING RESEARCH  
ON HYBRID ORGANIZING,  
SOCIAL ENTERPRISES, AND  
INSTITUTIONAL CONTEXT

Johanna Mair and Nikolas Rathert

### Marker to describe research

- Situate social enterprises and the problems they address in space, time, and institutional context
- Combine qualitative and quantitative methods
- Inform policy and practice by exposing patterns and evolution over time



# 3. Mechanisms of transformation and change

- Organizations as agents of change or architects of transformation
  - Filling “institutional voids” to build inclusive markets
  - “Scaffolding” as a transformative process to generate alternative social orders
- Organizations as resisters and culprits of amplifying societal challenges
  - Practices and myths at the core or reproducing social inequalities
  - Scrutinizing well-intended D&I efforts to “see” political exclusion

## Markers to describe research

- Deep engagement with an organization /context
- Forge conversations across disciplinary aisles
- Make explicit the role of organizations

© Academy of Management Annals  
2020, Vol. 14, No. 1, 199-236.  
<https://doi.org/10.5465/annals.2017.0033>

### THE ORGANIZATIONAL REPRODUCTION OF INEQUALITY

JOHN M. AMIS<sup>1</sup>  
University of Edinburgh

JOHANNA MAIR  
Hertie School of Governance and  
Stanford University

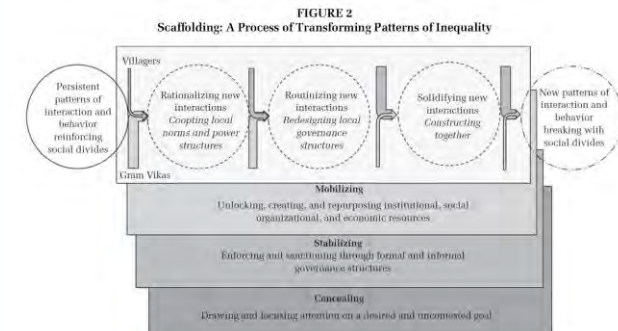
KAMAL A. MUNIR  
University of Cambridge

### Reinforcing Political Inequality Through Diversity Initiatives: A Field-Level Perspective

Linda Jakob Sadeh   
Ruppin Academic Center  
Johanna Mair   
Stanford University

© Academy of Management Journal  
2016, Vol. 59, No. 6, 2021-2044.  
<http://dx.doi.org/10.5465/amj.2015.0725>

### SCAFFOLDING: A PROCESS OF TRANSFORMING PATTERNS OF INEQUALITY IN SMALL-SCALE SOCIETIES



© Academy of Management Journal  
2012, Vol. 55, No. 4, 619-650.  
<http://dx.doi.org/10.5465/amj.2010.0427>

### BUILDING INCLUSIVE MARKETS IN RURAL BANGLADESH: HOW INTERMEDIARIES WORK INSTITUTIONAL VOIDS



# Analytical rigor and conceptual clarity

## in organizational studies of societal challenges

Theory Article



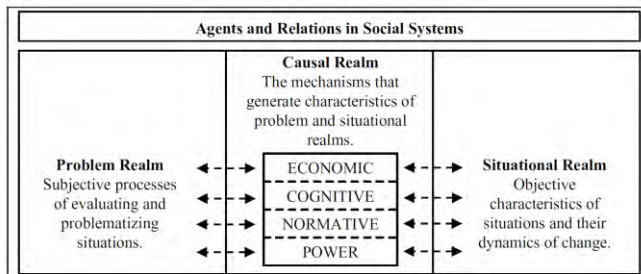
### Organizations, Social Problems, and System Change: Invigorating the Third Mandate of Organizational Research

Organization Theory  
Volume 2, 1–22  
© The Author(s) 2021  
Article reuse guidelines:  
sagepub.com/journalsPermissions  
DOI:10.1177/26317872211054858  
journals.sagepub.com/home/ott  
SAGE

Johanna Mair<sup>1</sup> and Christian Seelos<sup>2</sup>

Table 1. System perspectives in organizational research.

	First mandate	Second mandate	Third mandate	Third mandate as organized system change
	Organization as closed system 	Organization as open system 	Organizations affecting social systems 	Organizations changing social systems 
Explanandum	Organizational performance	Organizational performance	Effect of organizations on social systems	Legitimacy, desirability and efficacy of organized system change
Guiding question	How to configure various parts into a well-performing whole?	How do relations between organizations and their task environment affect performance?	How do characteristics of organizations such as size or power affect social systems?	Which boundary criteria do organizations use to define and change social systems and what are the mechanisms and consequences of enacting change?
Related canonical work	Taylor (1911), Weber (1947), Fayol (1949)	Williamson (1975), Aldrich & Pfeffer (1976), Hannan & Freeman (1977), Scott & Meyer (1983), Freeman (1984)	Parsons (1956), Perrow (1972), Coleman (1974)	



I. Elements of the analytical scaffold for organized system change.

Received: 26 February 2021 | Accepted: 29 November 2022

DOI: 10.1111/ijmr.12324

SPECIAL ISSUE

I/MR

MANAGEMENT INQUIRY

BRITISH ACADEMY OF MANAGEMENT

## The future of grand challenges research: Retiring a hopeful concept and endorsing research principles

Christian Seelos<sup>1</sup> | Johanna Mair<sup>2,3</sup> | Charlotte Traeger<sup>4,5</sup>

<sup>1</sup>Stanford University Center on Philanthropy and Civil Society, Stanford, California, USA

<sup>2</sup>Strategy and Leadership, Hertie School, Berlin, Germany

<sup>3</sup>Stanford University Center on Philanthropy and Civil Society, Stanford, California, USA

<sup>4</sup>Hertie School, Berlin, Germany

<sup>5</sup>Center for Public Management (KPM), University of Bern, Bern, Switzerland

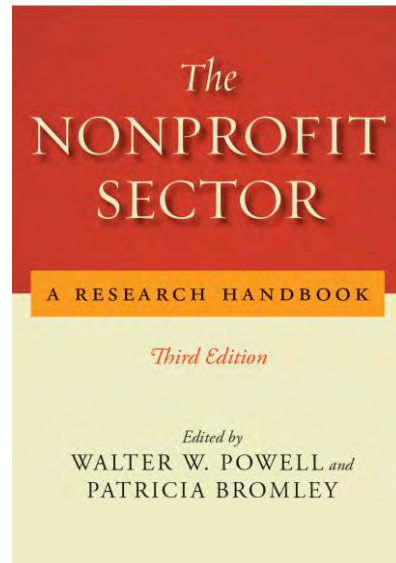
### Correspondence

Johanna Mair, Strategy and Leadership, Hertie School, Friedrichstrasse 180, 10117 Berlin, Germany.  
Email: mair@hertie-school.org

### Abstract

Editorial notes in leading management journals have urged scholars to address Grand Challenges (GC) as an opportunity for producing knowledge that matters for society. This review explores whether current conceptualizations of GC support a productive path for management and organizational scholarship by guiding empirical inquiry, facilitating cumulative theory development, and informing practice. We systematically examine scholarly articles, calls for papers, and editorial notes published in management journals for consistency in how researchers use and define the concept of GC and the scope of associated phenomena and attributes. We find three prominent conceptual architectures in use: discursive, family resemblance, and phenomenon driven. The variety and incoherence of current uses of the GC concept and the lack of efforts to improve its analytical competence lead us to suggest its retirement. Instead, we propose building on the enthusiasm around GC research and using GC as a term to define research principles that collectively help align research efforts and improve theoretical development and practice. The principles we propose capture a genuine origin story for management research on GC.

# Research on Social Entrepreneurship



- ✓ Social entrepreneurship as the practice of addressing social problems by means of markets
- ✓ Social enterprise as an organization that engages in social entrepreneurship

## Embracing rather than taming diversity

- Social enterprises have become increasingly popular and prevalent across geographies.
- Ideological debates over the promise, intention and meaning of social entrepreneurship dominate public discourse
- *Seeing* social enterprises through our well vetted theoretical goggles might confine our way of *looking*
- Theorizing based on the *organizational realities* of social enterprises across different geographies, given that organizing private action for public purpose varies across problem domains and local context



## Scope of exploration

- Project “Social Entrepreneurship as a Force for More Inclusive and Innovative Societies” [www.seforis.eu](http://www.seforis.eu)
- Respondent-Driven Sampling (RDS) (Heckathorn, 1997) to identify social enterprises and to obtain a representative sample of them in each country
- 1,045 Social Enterprises in 9 Countries
- Apply basic sampling criteria to uncover variety and common features
  - social mission crosschecked in multiple ways
  - revenue-generating activity involves the sale of products or services (> 5% of total revenue)
  - at least one full-time-equivalent (FTE) employee

In 2014: 800 m beneficiaries, € 6bn revenues, € 70m surplus, 500,000 employees (Huysentruyt, Mair & Stephan, 2016)



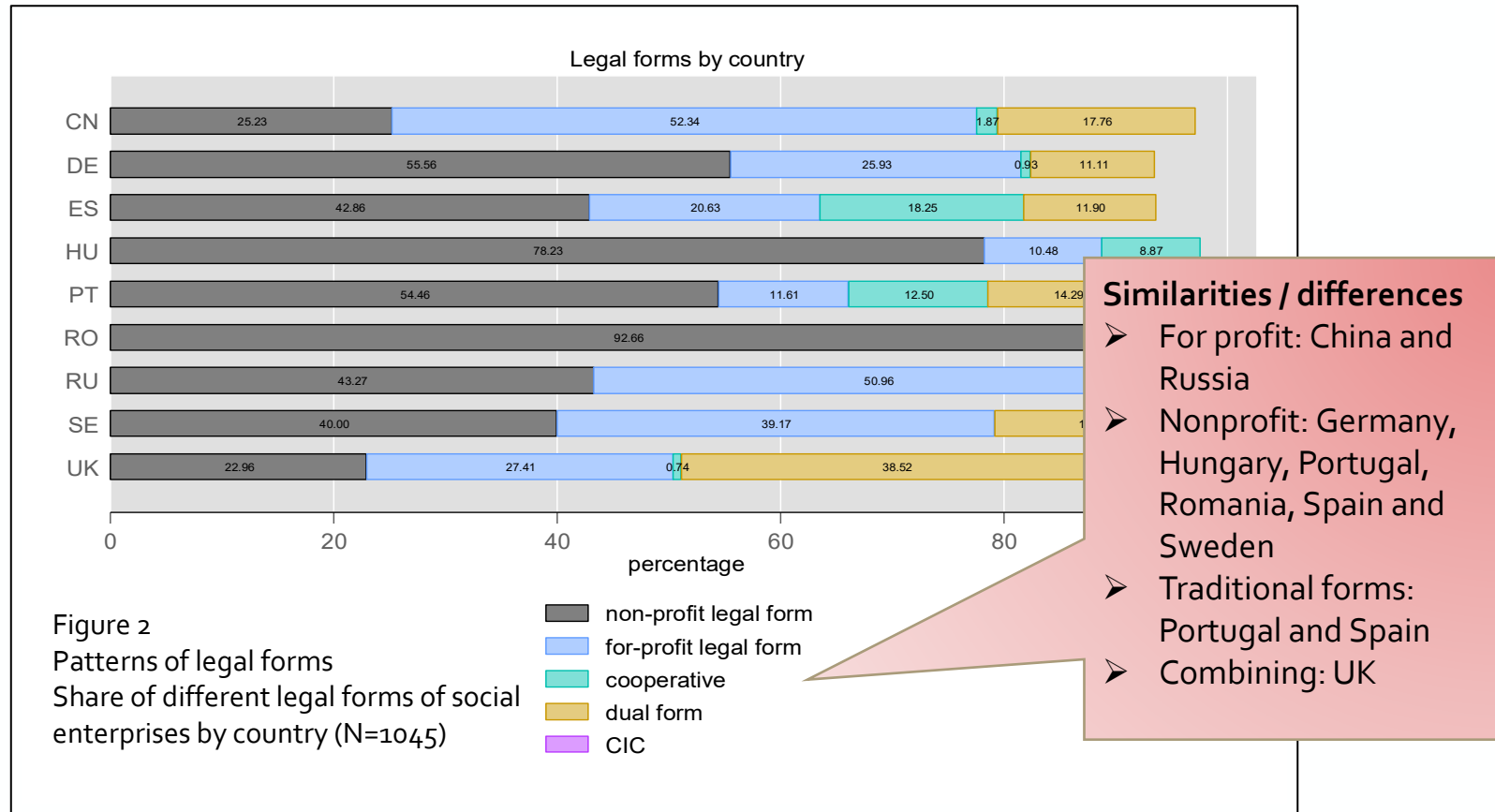
## Emerging patterns as seeds for theorizing

- One *size* does not fit all: striking variation in revenues, FTE, volunteers
- One *form* does not fit all: social Enterprises use a variety of legal forms and are not bound by legal form
- They are active participants in the *market for public purpose*: their role differs across domain and country context
- They are *inherently "social"* in who they are and in what and how they do: social footprint reflects local imprint
- Their active role in society goes beyond service delivery: they actively shape their *institutional environment*
- Social enterprises are not warriors in battlefield of social versus economic: but they do not operate in *conflict* free zones
- ✓ *Revive an interest in comparative research and forge conversation with adjacent disciplines*
- ✓ *Place organizational research (back) in disciplinary efforts*

### Similarities / difference

- Rev: G, P, Sp, UK : 40% > more than € 1m; China, Russia > 50% less than € 80,000
- FT: Median 7 in SW to 24 in UK
- Volunteers: median 3 in Ru and Sw; 15 in China and Romania

# Unmasking the dominance of nonprofit legal forms



- Social enterprises seem to *make do* with the legal forms available in their country and suitable to the pursuit their goals.  
*"We did this [combining legal forms] so that people take us seriously. We do not really need this legal form for our work. But people think only a nonprofit is appropriate for this. If we say we are a for-profit, they think we want to make money out of it."*
- Only 11% of survey respondents cited the creation of a specific legal status for social enterprises as a priority.
- Younger social enterprises prefer for-profit forms

# Participating in the market for public purpose

Market for public purpose: a social space and area of exchange that encompasses both private and public efforts to address social problems of public interest

Markers to assess patterns: sources of finance, interaction with governments, competitive dynamics to describe these patterns

## Sources of finance

- Selling products or services as their primary mode of financing operations: 70% of the social enterprises in our sample relied on it as the most important mode of financing operations and the most important source of liquidity for social enterprises. On average social enterprises financed 57% of their activities this way.
- Grants (26% of total financing on average)
- Investments (noticeably only in China - 17%)
- Donations (noticeable only in Germany, Romania and Russia - 10% )
- Loans and membership fees negligible

# Interacting with the public sector

*... striking cross-country differences in the role that government plays in the life of social enterprises*

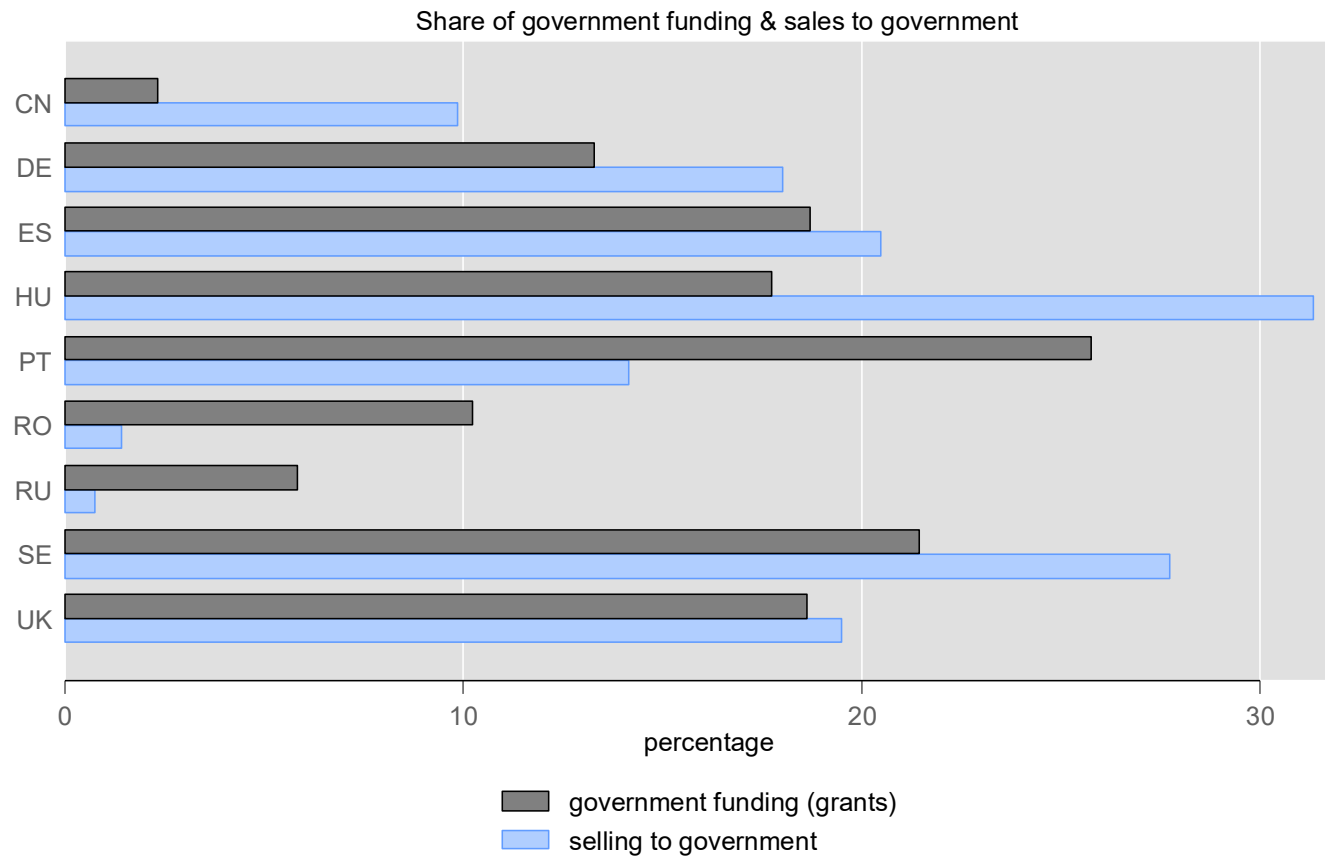


Figure 5: Markets for public purpose: Sales to and grants from the public sectors



## Competing on public purpose

In all countries a variety of private and public organizations are active in social problem domains.

Patterns of competition (similar products and services)

- China, Russia, and the United Kingdom: businesses
- Germany, Hungary, Portugal, Romania, and Sweden: nonprofit organizations
- Spain: other social enterprises

Government and the public sector not seen as competitor

20% say “we do not face competition” → invites to probe into what is novel and how does it relate to being conventional

Competition as a force spurring homogeneity (Weber, 1922) → invites for further probing into link to legal form and problem domain

# Collaborating for public purpose

Countries	Collaboration partner						
	Other social enterprises	Nonprofits	For-profits	Local authorities	National government	Universities	Organizational networks/alliances
China	11%	30%	34%	11%		5%	
Germany	23%	19%	17%	8%	13%		
Hungary	11%	48%	21%	11%	13%		
Portugal		38%	27%	28%		14%	13%
Romania	6%	53%	9%	17%	3%		
Russia	4%	27%	42%	14%	5%		
Spain	33%	21%	9%	12%			9%
Sweden	12%	21%	19%	22%			13%
UK	30%	24%	19%	15%			7%

## Patterns

- China and Russia: **for profit org**
- Spain and UK: **other social enterprises**
- Portugal and Sweden: **local authorities**

Table 1: Patterns of collaboration by social enterprises across countries

Sample sizes: China: N=102, Germany: N=107, Hungary: N=122, Portugal: N=111, Romania: N=109, Russia: N=104, Spain: N=125, Sweden: N=106, UK: N=135

Only 1.1% did not collaborate in the last 12 month

Hungary and Russia are the “Collaboration Weltmeister”

# The social footprint of social enterprises

Shared characteristic of social enterprises: they systematically measure and report on their social performance.

About 65% of the social enterprises track social performance, (ranging from 97% in Portugal to 48% in Spain).

Most widely used indicator *number of beneficiaries or clients served*, with the exception of Sweden, where measuring *satisfaction of beneficiaries or clients* was the most prevalent indicator.

Use of specific and popular indicators varied across countries:

- China: *number of volunteers*
- Portugal: *number of people empowered*
- Germany: standardized repertoire of indicators

Recent progress on including social performance in studies but we lack a systematic account of the range of social problems and how the problem domains vary across geographies

# Mapping social problem domains

*Common domains (using ICNPO) and country specific domains as natural habitat for social enterprises across countries.*

Countries	Social problem domain					
	Culture & recreation	Education & research	Health	Social services	Environment	Development & housing
China		17%	15%		20%	
Germany		21%	15%			27%
Hungary			12%	27%		24%
Portugal		15%		22%		30%
Romania		11%		50%		20%
Russia		17%		25%	23%	
Spain	11%				22%	42%
Sweden	15%		14%			42%
UK		12%		12%		54%

Table 2: Distribution of problem domains for social enterprises across countries

Sample sizes: China: N=102, Germany: N=107, Hungary: N=122, Portugal: N=111, Romania: N=109, Russia: N=104, Spain: N=125, Sweden: N=106, UK: N=135

# Identifying beneficiaries

*Social enterprises rarely focus on a single beneficiary group. On average the social enterprises targeted 3 beneficiary groups at the same time.*

Countries	Beneficiaries											
	Children and youth	Citizens	Unemployed	People with disabilities	Families, parents	Other social organizations or enterprises	Social sector practitioners	People in low-income households	Women	Elderly	Migrants	Left-behind/rural communities
China	24%	24%		11%		21%						12%
Germany	24%	23%				40%	9%	10%				
Hungary	18%	35%		36%	16%						9%	
Portugal	24%	32%		16%		18%	10%					
Romania	22%	20%		31%	9%			17%				
Russia	13%	33%		37%					3%	4%		
Spain	10%	29%	11%	21%		20%						
Sweden	33%	23%	20%	16%		12%						
UK	13%	20%		11%		25%		10%				

### Similarities / differences

- Children & Youth, citizens prevalent in all
- Disabled as well (except Germany where other social organizations scores)
- China: left behind rural communities
- Russia: Women and Elderly
- Asylum seekers picking up

Table 3: Distribution of primary beneficiaries of social enterprises across countries

Sample sizes: China: N=102, Germany: N=107, Hungary: N=122, Portugal: N=111, Romania: N=109, Russia: N=104, Spain: N=125, Sweden: N=106, UK: N=135



# Aligning mission and mandate

*Our data suggests that social goals are not fatally compromised by commercial activity. But social enterprises are not conflict free.*

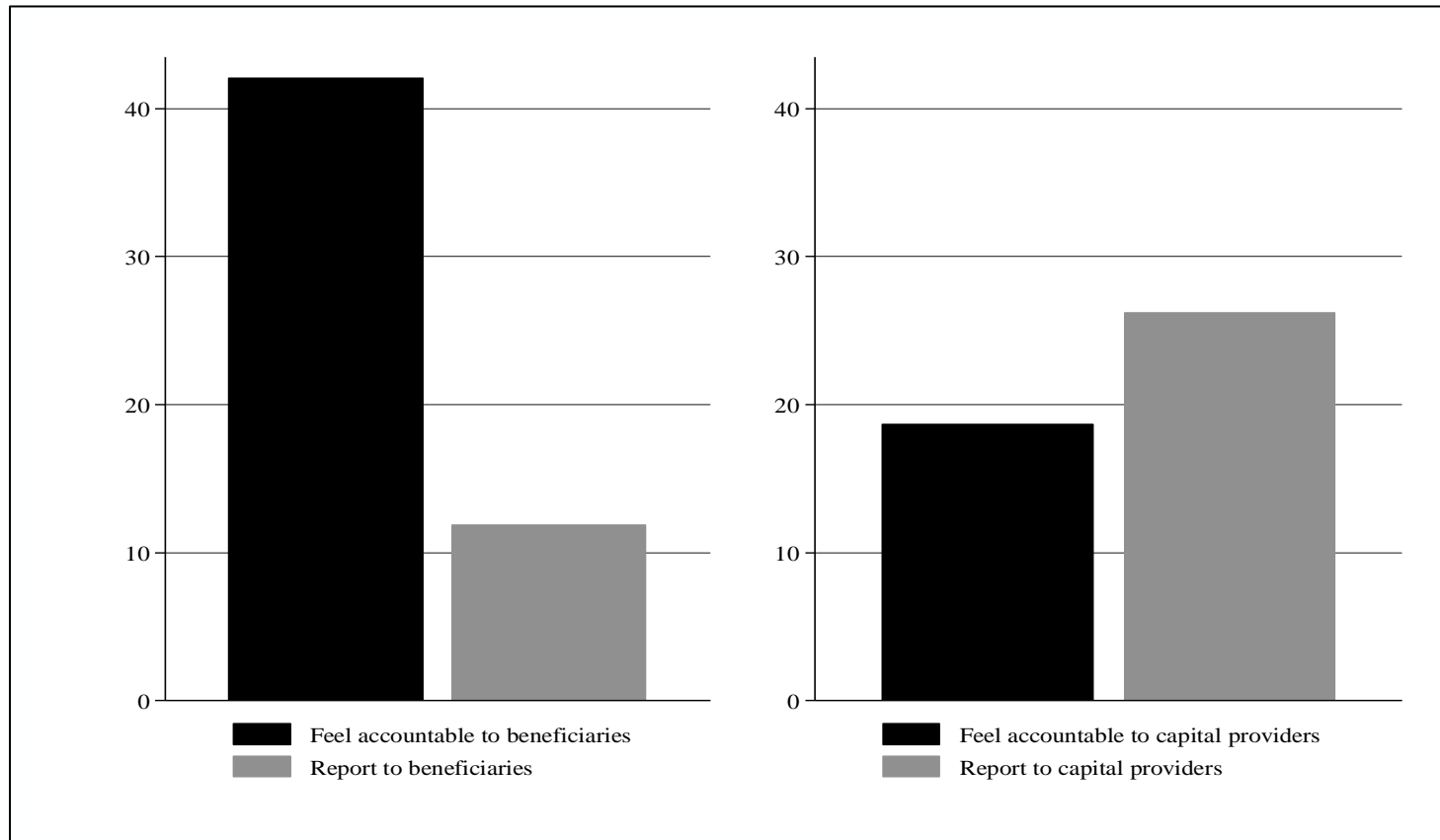


Figure 6: Locating sources of conflict: Accountability and reporting among social enterprises (N=1030 due to missing data)

The greatest potential might lie less in developing a grand theory of social enterprise than in pursuing disciplined exploration that thoroughly deploys the tools we have at hand and engages with social science more broadly.

# Two questions have been on my mind for a while

1. How can we appreciate the political side of social enterprises ?
2. How can we appraise the societal role of social enterprises ?

**Social Enterprises as Agents of Social Justice: A Rawlsian perspective on institutional capacity**

**Theodore M. Lechterman\***   
IE University, Spain

**Johanna Mair\***   
Hertie School, Germany & Stanford University, USA

**JOURNAL OF MANAGEMENT STUDIES** 

*Journal of Management Studies* 0:0 Month 2024  
doi:10.1111/joms.13134

**The Political Side of Social Enterprises:  
A Phenomenon-Based Study of Sociocultural  
and Policy Advocacy**

**Johanna Mair\***  **and Nikolas RATHER\*** 

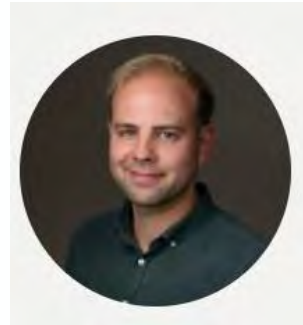
*\*Hertie School and Stanford University; <sup>b</sup>Department of Organization Studies, Tilburg University*

## The political side of social enterprises

A Phenomenon-Based Inquiry Approach to Theorize Upstream Activity

Johanna Mair  
and Nikolas Rathert | Tilburg University

In a conversation with



**JOURNAL OF MANAGEMENT STUDIES**

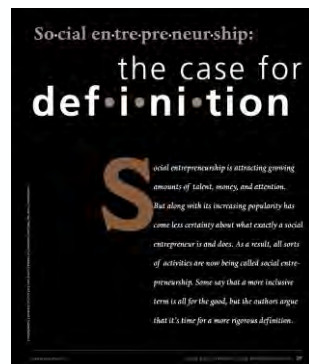
Call for Papers

**BEYOND HYBRIDITY: ADDRESSING COMPLEX SOCIAL AND ENVIRONMENTAL PROBLEMS THROUGH MULTI-LEVEL PROCESSES**

1. (Re)focus on the organizational realities
2. Expand our ways of looking and seeing
3. If there is no adequate theoretical apparatus available, build on lived experiences to explore and explain

## Social enterprise research as an example

- Social enterprises are defined as organizations that leverage market-based activity to address social problems / affect social change



Martin & Osberg (2007). Social Entrepreneurship: The Case for Definition. Stanford Social Innovation Review (Spring)

J. Academy of Management Journal  
2022, Vol. 65, No. 1, 98-143  
<https://doi.org/10.5465/ama.2019.0143>

### ENTREPRENEURSHIP FOR THE PUBLIC GOOD: A REVIEW, CRITIQUE, AND PATH FORWARD FOR SOCIAL AND ENVIRONMENTAL ENTREPRENEURSHIP RESEARCH

SIDDHARTH VIDULA  
Technical University of Munich

CLAUDIA DOBLINGER  
Technical University of Munich

DESIRÉE PACHECO  
University of Navarra



JEFFREY G. YORK  
University of Colorado, Boulder

SOPHIE BACQ  
Indiana University

MICHAEL V. RUSSO  
University of Oregon

THOMAS J. DEAN  
Colorado State University



Original Article |  Open Access 

## Social Enterprises as Hybrid Organizations: A Review and Research Agenda<sup>†</sup>

Bob Doherty  Helen Haugh, Fergus Lyon

First published: 03 January 2014 | <https://doi.org/10.1111/ijmr.12028> | Citations: 972





Received: 12 October 2021 | Accepted: 18 November 2022

DOI: 10.1111/ijmr.12321

ORIGINAL ARTICLE



## Pathways to social value and social change: An integrative review of the social entrepreneurship literature

Nadine Hietschold<sup>1,2</sup>  | Christian Voegtlin<sup>3</sup>  | Andreas Georg Scherer<sup>1</sup>  | Joel Gehman<sup>4</sup> 



... organizational activity aimed at influencing and changing public policy and legislation, norms, attitudes, and/or behaviour.

Extensive knowledge on advocacy engagement of corporations (Walker & Rea, 2014; Bonardi & colleagues) and non-profit organizations (Child & Groenberg, 2007; Mosley, Suárez & Hwang, 2022; Ward et al, 2022), but surprisingly little on social enterprises (Vedula et al, 2022).

Two generic form of advocacy are identified in the literature (Mosley, Suárez & Hwang, 2022)

- **Sociocultural advocacy:** directed at socio-cultural change to try to shape public opinion, cultural meanings, or societal norms
- **Policy advocacy:** directed at policy change to try to influence policy-making or regulation

Limited anecdotal evidence confines advocacy by social enterprises to tactical activity to support scaling strategies or market-building, and (case-based ) literature relating social enterprises to institutional change does not allow us to assess the prevalence of advocacy.

What are the factors associated with social enterprises' engagement in advocacy?

We introduce **two partially autonomous levels of analysis** to explain engagement in sociocultural and policy advocacy building on literature on social movements and nonprofits

We start from prominent perspectives that highlight

- **market-based** activity as a distinguishing feature of social enterprises
- social enterprises exemplary for **hybrid organizing**

## Unpack markets

- Understand social enterprises as market participants and capture the problem domain and country context social enterprises operate in
- The characteristics of the “market for public purpose”—a social space for exchange and interaction around social problems of public interest inhabited by various organized actors—affect advocacy.

## Expand perspectives in hybrid organizing

- Revive traditions that put advocacy at the core of theorizing hybrid organizations (Clemens and Minkoff)
- Governance choices affect advocacy

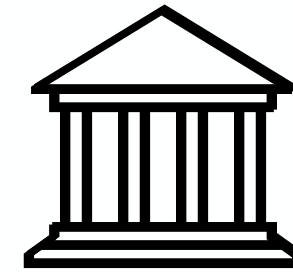
# Scaffolding for explorative multilevel analysis

Market for public purpose

Constitute the relational space indicative of the salience of problem and patterns of interaction

Governance choices

Constitute the (perceived) room for maneuver



Policy advocacy



Sociocultural advocacy

# Data and dependent variable

- Multi-country survey of social enterprises & their advocacy work (2015)
- 718 social enterprises, 7 European countries, 6 problem domains
  - Discernible social mission, at least 5% commercial revenue, 1 full-time employee
  - DE, ES, PT, RO, HU, UK, SWE
  - Respondent-driven sampling to uncover 'hidden' SE population
  - Culture, education, health, social services, environment, human development
  - Online/interview-based survey of SE leaders
- Complemented original data with data from multiple sources (Eurostat)

Form of advocacy	Directed at	Operationalization
Sociocultural advocacy	Social norms and beliefs in society, behavior towards others	Has your organization helped change the attitudes towards a disadvantaged group over the last year? (yes/no)
Policy advocacy	Laws and policies	Has your organization helped influence policy making or legislation over the last year? (yes/no)

# Independent variables

Level	Variable	Operationalization	Source
Market for public purpose	Public spending	3-year trend in public funding for country-specific problem domain (continuous; percentage)	Eurostat
Market for public purpose	Dominant competition	Most commonly stated organizational form for country-specific problem domain (categorical)	Survey (aggregated)
Organization	Legal form	For-profit/non-profit (binary)	Survey
Organization	Funding source	Funding from commercial activity, grants or government (continuous; percentage)	Survey
Organization	Collaboration	Nat log of number of collaborations in previous year	survey

Size and age as control variables

# Concepts and variables

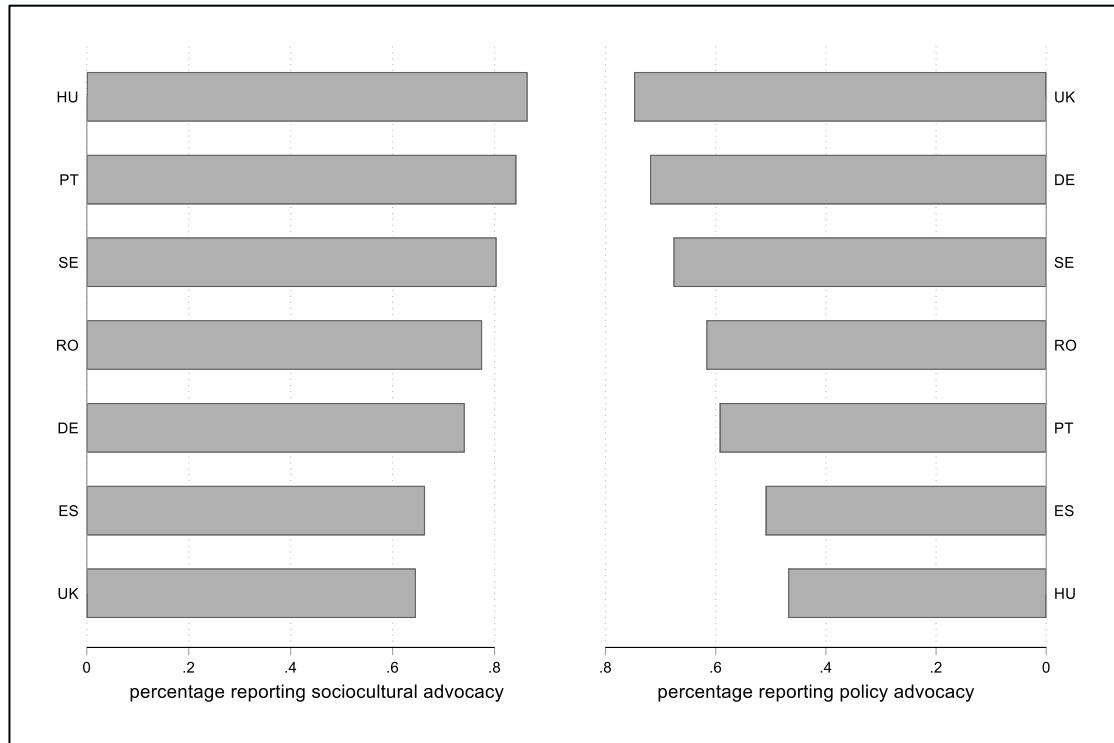
Level	Variable	Datasource	Literature	Level	Variable	Datasource	Literature
Organization (main DVs)	<b>Sociocultural/policy advocacy:</b> during previous year, organization changed/helped change <ul style="list-style-type: none"> <li>attitudes towards a disadvantaged group (yes/no)</li> <li>Influenced policy making/ legislation (yes/no)</li> </ul>	Survey	Mosley, Suárez & Hwang, 2022; Almog-Bar & Schmid, 2014; Ward et.al, 2022; Davis, 2005, Walker et al., 2008).				
				Organization	<b>Legal status</b> Legal form (non-profit/for-profit)	Survey	Walker & Rea, 2014
				Organization	<b>Sources of income</b> Income from sales/grants/government	Survey	Mosley, 2012
Market for public purpose	<b>Public spending</b> Trends in government funding (5-year average of funding trends in %)	Eurostat	Mosley, 2012; Bloodgood & Tremblay-Boire, 2017; Hilgartner & Bosk, 1988	Organization	<b>Collaborations</b> Number of collaborations	Survey	Mosley, 2014
Market for public purpose	<b>Dominant form of competition</b> (most commonly stated type of competition:business/non-profit/other SEs/no competition)	Survey (aggregated)	Almog-Bar & Schmid, 2014; Calò et al. 2017				

1. Document the pervasiveness of sociocultural and policy advocacy and examine variation across contexts
2. Conduct statistical analysis to examine which characteristics across two levels are associated with a greater likelihood of engaging in sociocultural and policy advocacy
3. Develop knowledge claims as the first step in theorizing social enterprise advocacy

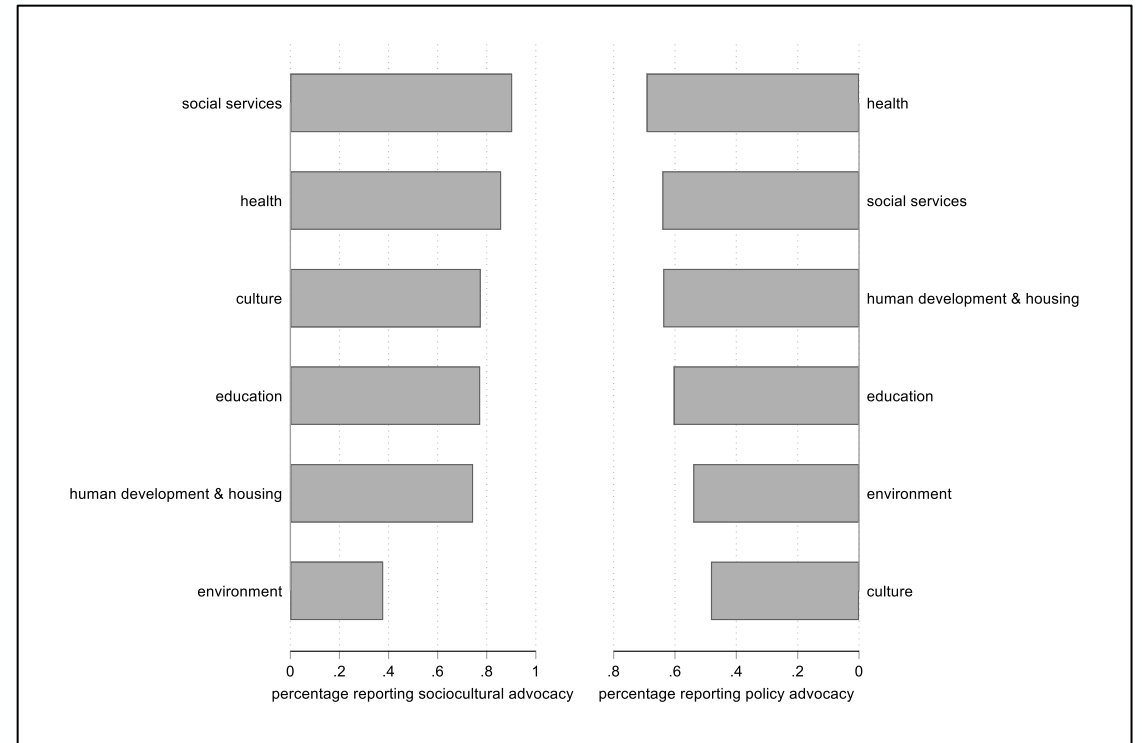
# The pervasiveness of advocacy

- 76% engaged in sociocultural advocacy, 62% involved in policy advocacy
- A weak correlation suggests that sociocultural and policy advocacy are two distinct forms
- Sociocultural and policy advocacy are distributed differently across problem domains and country context

## Distribution across countries



## Distribution across problem domains





	<i>Sociocultural advocacy</i>	<i>Policy advocacy</i>
<b>Markets for public purpose</b>		
Trends in public spending	-0.04*** (0.01)	-0.01 (0.01)
Dominant competition: non-profit (Reference category: businesses)	0.48** (0.18)	
Dominant competition: businesses (Reference category: non-profits)		-0.45* (0.20)
Dominant competition: other SEs	-0.09 (0.19)	-0.31 (0.30)
Dominant competition: none	-0.18 (0.20)	-0.08 (0.33)
<b>Organizational governance choices</b>		
Legal form: for-profit (Reference category: non-profit)	0.05 (0.16)	-0.33* (0.15)
Source of income: sales	-0.08 (0.15)	-0.24 (0.25)
Source of income: grants	0.29 (0.18)	-0.37 (0.21)
Source of income: government	0.73* (0.37)	1.33*** (0.31)
Number of collaborations	0.10* (0.05)	0.18* (0.07)
<b>Control variables</b>		
Size of organization	0.07 (0.05)	0.13*** (0.03)
Age of organization	0.03 (0.07)	0.25** (0.08)
Country dummies	Included	Included
Problem domain dummies	Included	Included
Constant	0.98** (0.31)	-0.03 (0.47)
Observations	718	718
Log pseudolikelihood	-337.82	-401.07
Wald $\chi^2$	692.55***	229.31***

Note: Standard errors clustered by country-problem domain in parentheses.  
\*p < 0.05; \*\*p < 0.01; \*\*\*p < 0.001.

**Sociocultural advocacy is more likely when**

- Public spending decreased
- Dominant competition from nfp (compared to business /other SEs)
- Sources of income come from the government
- Greater number of collaborations

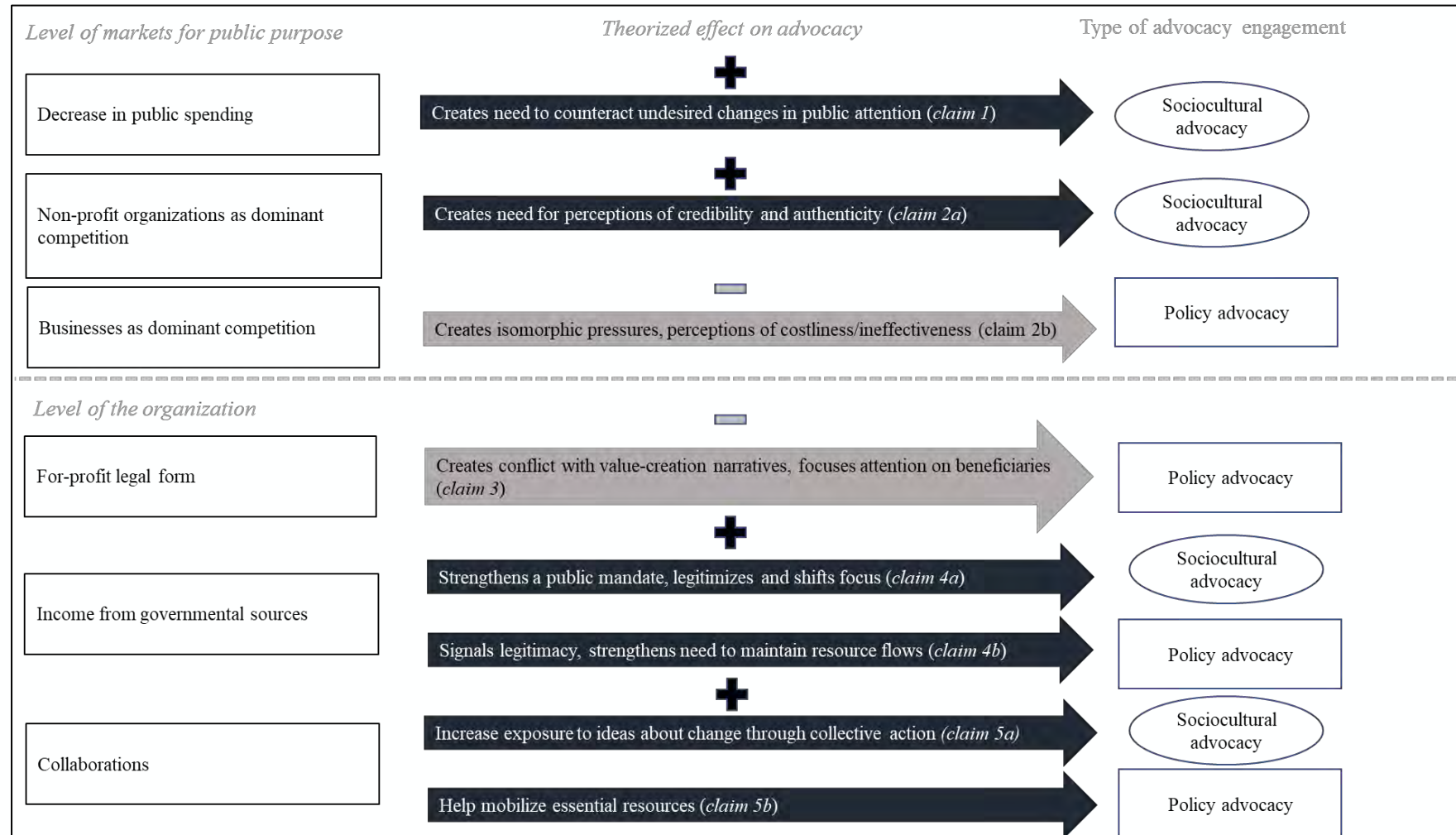
**Policy advocacy is less likely when**

- Dominant competition from business
- For-profit legal form

**...and more likely**

- Sources of income come from the government
- Greater number of collaborations

# Knowledge claims as plausible explanations

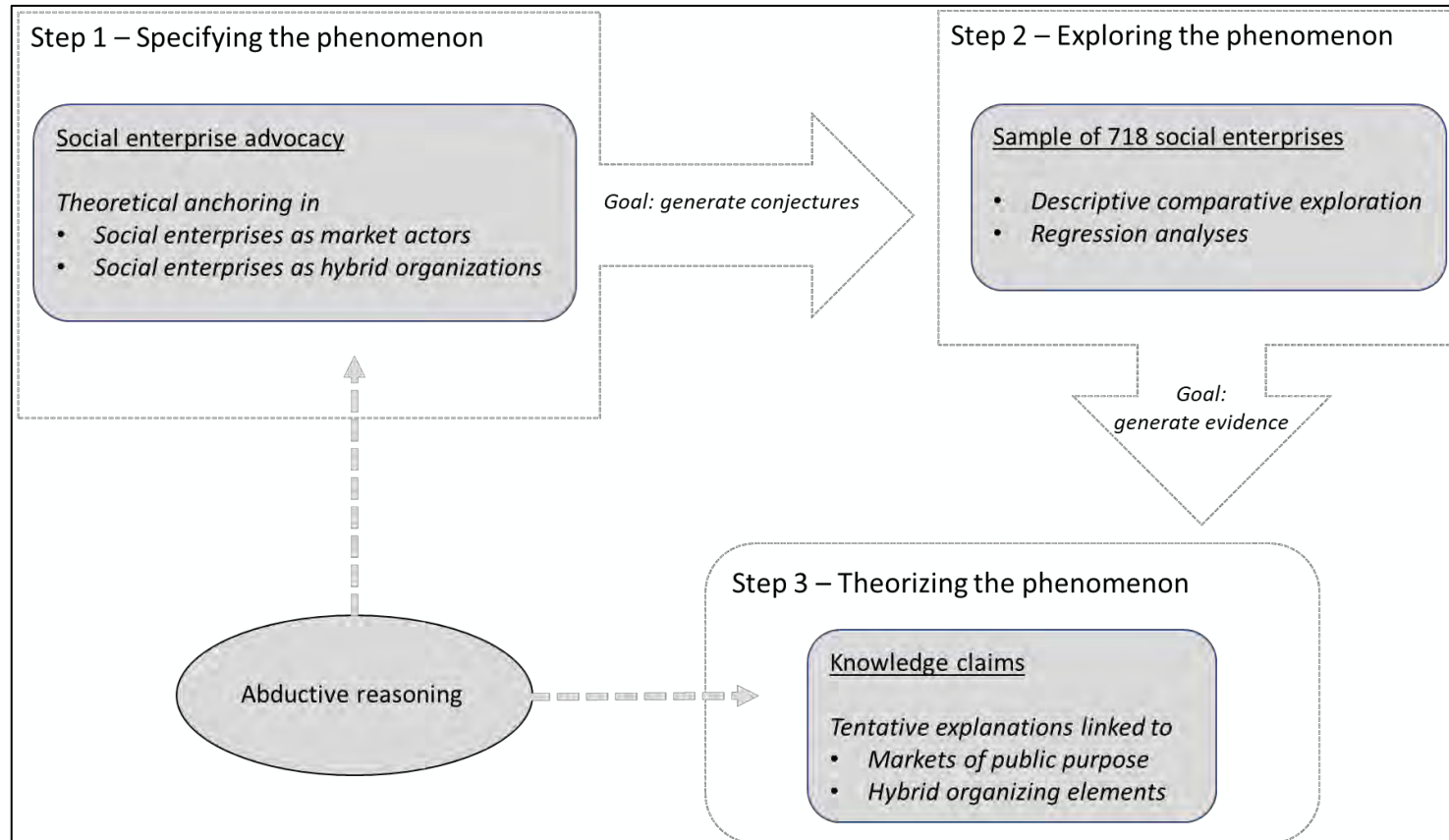


# Tentative theorizing opens up opportunity for future research

Knowledge Claim	Future research
<b>#1</b> Decreases in the <b>public spending</b> in a problem domain increase the likelihood of a social enterprise engaging in sociocultural advocacy.	Reimagine the <b>role of SEs in social welfare provision</b> . Can SEs buffer or substitute efforts by conventional civil society or social service delivery organizations?
<b>#2a:</b> Dominant <b>competition</b> from non-profits increases the likelihood of sociocultural advocacy.	Revisit the <b>relationship between SEs and nfp organizations</b> . Can nfp support the public mandate of SEs?
<b>#2b:</b> Dominant <b>competition</b> from businesses decreases the likelihood of policy advocacy.	Revisit the <b>relationship between SEs and business</b> . Do competitive pressures “tame” SEs?
<b>#3:</b> Adopting a <b>for-profit legal form</b> decreases the likelihood of a social enterprise engaging in policy advocacy.	Scrutinize the <b>influence of legal forms</b> . Are constraints implied by legal forms real or perceived?
<b>#4:</b> <b>Income generated from governmental sources</b> increases the likelihood of social enterprises engaging in sociocultural and policy advocacy.	Articulate a <b>public mandate for SEs</b> . Is public funding empowering for SEs, or simply a convenient income?
<b>#5a:</b> A higher number of <b>collaborations</b> with other organizations increases the likelihood of a social enterprise engaging in sociocultural advocacy.	Informing research on <b>collaborative efforts</b> . How do collaborative coalitions form, and with what effect?
<b>#5b:</b> A higher number of <b>collaborations</b> with other organizations increases the likelihood of a social enterprise engaging in policy advocacy.	Informing research on <b>collaborative efforts</b> . How do associations of SEs support or hinder policy advocacy?

# Reviving excitement for phenomenon-based research

Advocacy, neither new nor an anomaly ...we simply did not pay attention



Broaden approaches to study and theorize organizing around societal challenges.

Multiple approaches to do so (here a quantitative, others include micro-historical (study on homelessness) and qualitative).

## Advance research and practice by overcoming (ideological) debates by

- generating empirical evidence and developing tentative theory



- combining positive and normative theorizing traditions



**How can we appraise the societal role of social enterprises?**  
A Rawlsian Perspective on Institutional Capacity

Johanna Mair  
and Ted Lechterman | IE University' School of Humanities

In a conversation with



Organization Studies

Call for Papers on a Special Issue on

**Philosophy and Organization Studies: How Does Philosophy Illuminate  
the Study of Organizations?**



**Stanford PACS**  
Center on Philanthropy  
and Civil Society

Social enterprise is a form of organizing that leverages aspects of market-based activity to address social problems and affect social change. Appealing because it

- challenges conventional analytical categories (Child, 2020)
- combines organizing elements associated with different and often incompatible logics, identities, and forms (Battilana & Lee, 2014)

Portrayed as a “tool” to

- address a variety of social problems (Mair & Rathert, 2021)
- promote the public good (Vedula et al 2022)
- catalyze positive social change (Stephan et al, 2016)
- transform or change social systems (Mair & Seelos, 2021) .

The role ascribed to social enterprises in “solving” problems of public interest is rarely defended on normative grounds.



What makes a condition problematic, how it should be solved, and who is responsible for addressing it? These are **controversial questions** with enormous **practical consequences** for those who operate, finance, regulate, benefit from, or compete with social enterprises.

Failing to articulate and defend assumptions about these questions limits the reliability and precision of **empirical research**. It may also distort research agendas, evaluation metrics, and strategic prescriptions (Chalmers, 2021).

How can social enterprises operate as **agents of social justice**, i.e., as entities capable of or responsible for realizing justice in some way (Hickey, Meijers, Robeyns, & Timmer, 2021), despite disagreements about justice and the allocation of responsibility?

How can a **normative evaluation** of social enterprise **inform empirical investigation** of this form of organizing and its place in society?



...**justice** is first and foremost a **virtue of major social institutions** such as the tax system and property law, not of organizations (e.g., charities, firms, churches, universities) or particular organizational forms.

A Rawlsian view supplies organizations with a duty of justice to contribute to ***institutional capacity***, understood as the ability of institutions to distribute the benefits and burdens of social cooperation fairly.

Discharging this duty requires **fortifying just arrangements** that already exist and **facilitating transitions to just arrangements** in contexts where these arrangements are missing, unstable, or compromised

# How social enterprises can foster institutional capacity

Institutional Context	Institutional Conditions	Social Enterprise Mechanisms	Empirical Referents	Roles for Organizations
Imperfect justice	Gaps in rights fulfillment for hard-to-serve populations	Complementing	Certain WISEs	Fortify just institutions
	Limited options for art, culture, religion, research	Supplementing	Religiously-affiliated businesses; arts/culture social enterprises	
Severe injustice	Injustice in labor relations or trade rules	Demonstrating alternative economic arrangements	Fair trade collectives; worker-owned cooperatives	Facilitate transitions to just institutions
	Underdeveloped markets for essential private goods	Demonstrating alternative market designs	EnviroFit cook stoves	
	Public corruption; political exclusion; undersupply of public goods	Incentivizing government accountability	Certain microcreditors	
	Consumer exploitation; negative externalities	Incentivizing market accountability	Cooperative funeral services	

} Institutional Capacity

# Perspectives on the duties of social enterprises

Primary value	Capabilities	Pluralism	Deliberation	Institutional Capacity
Duty	Social enterprise should close gaps in individual wellbeing	Social enterprise should pursue multiple goals to respect diverse ethical viewpoints of stakeholders	Social enterprise should deliberate with stakeholders to identify common aims	Social enterprise should advance institutional capacity by fortifying just institutions and fostering transitions to just institutions
Level of analysis	Organization	Organization	Organization	Society
Associated organizational theorists	Cornelius et al., 2008; Kroeger & Weber, 2014	Mitchell et al., 2016	Scherer & Palazzo, 2007; Ferraro, 2018	Current article
Philosophical inspirations	Nussbaum & Sen, 1993	Aristotle, 2014; Galston, 2002	Habermas, 1996	Rawls, 1993, 1999, 2001

We hope to continue the conversation.

Failure to interrogate and defend normative assumptions might limit progress in research and practice.

**Thank you !!**

[mair@hertie-school.org](mailto:mair@hertie-school.org)

