The London School of Economics and Political Science

Social entrepreneurs as network orchestrators – how and why do social entrepreneurs build up and leverage social networks to perform?

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Abstract

Over the last decades, extensive research about the role of networks in venture creation and development in both the sociology- (e.g., Burt, 2005; Chiesi, 2007) and management- literature (e.g., Hoang & Antoncic, 2003; Maurer & Ebers, 2006) has been produced. However, while social networks have been recognized as crucial elements for the growth of social ventures (e.g., Bradach, 2010; Waitzer & Paul, 2011), there has been identified a lack of theory-motivated papers on how and why the different dimensions and configurations of social networks influence (social) venture performance over time (Aldrich & Kim, 2007; Dacin et al., 2010). Filling this gap, this thesis focuses on the dynamic networking patterns of social ventures over the organizational lifecycle. It consists of three major parts: one conceptual paper, and two empirical papers. Drawing from networks-, social capital-, and organizational ecology- approaches (e.g., Hannan & Freeman, 1989; Kim et al., 2006), in the conceptual paper I develop a four-stage typology of network development, contending that selective boundary-spanning can lead to better performance outcomes if aligned with time-contingencies. The second paper, a comparative case study of six social ventures operating in Kenya's low income context (a setting neglected by management research), uses a qualitative approach to examine how these ventures orchestrated networks. Via the comparison of success-, failure-, and turnaround- cases, I find four core 'stages', and identify key characteristics of the respective networks, as well as conditions and mechanisms that help the transition from stage to stage. Having established the importance of social capital and its relation with organizational outcomes, the third paper focuses on the antecedents of social capital. A longitudinal case study in the South African low-income context shows that approaches such as bricolage can be effective in enfranchising the previously disenfranchised on a broader scale.

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Dedication

For my dear parents Rainer and Ulla Busch, without whose deep love, support, and patience

I would not have embarked upon this inspiring yet intense journey.

Introduction and overview

Over the last decades, extensive research about the role of networks in venture creation and development in both the sociology- (e.g., Burt, 2005; Chiesi, 2007) and management-literature (e.g., Hoang & Antoncic, 2003; Maurer & Ebers, 2006) has been produced. First exploratory case studies (e.g., Alvord et al., 2004) have shown that (successful) social entrepreneurs often employ existing assets of marginalized groups and networks to grow. Consequently, recent calls established that the literature could benefit from research on the link between networks and social business models/performance (e.g., Dacin et al., 2011; Mair, & Marti, 2006). However, while social networks have been recognized as crucial elements for the growth of social ventures (e.g., Bradach, 2010; Waitzer & Paul, 2011), there has been identified a lack of theory-motivated papers on how and why the different dimensions and configurations of social networks influence (social) venture performance over time (Aldrich & Kim, 2007; Dacin et al., 2010). Filling this gap, this thesis focuses on the dynamic networking patterns of social ventures over the organizational lifecycle. Thereby, I will use a broad understanding of social entrepreneurship as an "innovative, social value creating activity that can occur within or across the non-profit, business, or government sectors" (Austin et al., 2006: 2). Thus, the ultimate goal of a social venture is not to maximize financial returns for shareholders, but to reach more people in need effectively (Alvord et al., 2004; Mair & Marti, 2006).

This thesis consists of one conceptual and two empirical papers, which are united under the following research question: **'Social entrepreneurs as network orchestrators – how and why do social entrepreneurs build up and leverage social networks to perform?',** broken down into **three sub-questions** that will be discussed below.

The first paper, titled 'Dynamic social networks, venture growth, and social enterprise performance – A typology' synthesizes the extant social entrepreneurship and social network/social capital literatures in order to develop an answer to the question: '**How and why do social entrepreneurs build up and leverage networks to perform? Which ties are relevant at which time, and which content is exchanged over time?'.** Drawing from networks-, social capital-, and organizational ecology- approaches (e.g., Hannan & Freeman, 1989; Kim et al., 2006), based on a thorough literature review I develop a four-stage typology of network development, arguing that selective boundary-spanning can lead to superior performance outcomes if aligned with time-contingencies. By elucidating the link between network formation/change (both in terms of configuration and content) and the performance of social ventures, I clarify the temporal network dynamics of social ventures.

Theoretically sensitized by some of the social networks and social capital approaches reviewed in the first paper (e.g., Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998), **the second paper** will focus on the question: '**How and why do social entrepreneurs build up and leverage global networks to perform in resource-constrained environments?'.** Given that there has been detected a need for longitudinal studies to improve our understanding of the emergence of (small-venture) networks (e.g., Hoang & Antoncic, 2003), and that extant research has focused on traditional (Western) settings and financial-purpose networks (Austin, 2006; Dees et al., 2004), this study employs a qualitative longitudinal approach to examine how and why social ventures orchestrate networks over time, comparing six social ventures operating in Kenya's low income context. Via the comparison of success-, failure-, and turnaround- cases, I find four core 'stages', and identify key characteristics of social capital/networks in these different stages, as well as key conditions and mechanisms that enabled (or hindered) the ventures to adjust their networks and move from stage to stage. Sensitized by some of the concepts used in the first paper, I inductively derive success- and failure- patterns of social ventures in this context. Studying variation within and across ventures, this study offers an in-depth comparison of approaches for forming and leveraging networks/social capital, as well as the surrounding conditions. I will contribute to the management literature by analyzing the dynamic interplay of social network/capital elements, and how these change over time, related to performance. Further, the identification of a major organizational ability ('orchestrability'), and four key mechanisms that facilitate network and social capital development ('de-nepotization', 'capacity-building', 'embedded disembedding', and 'pro-active social governance') contributes to the management literature a deeper understanding of the conditions under which social networks/social capital can be (in-) effective. Finally, by expanding network theory into an analytically extreme context and thus changing its boundary conditions, I will show that in contrast to the expectation of the extant literature (e.g., Xiao & Tsui, 2007), brokerage in collective contexts might not be penalized, if incentives are aligned, and if brokers are not at the periphery of the respective in-group (as assumed by the extant literature, e.g., Xiao & Tsui, 2007), but rather entrenched in the center.

While the discussion of the various social capital dimensions, as well as the relevant mechanisms, form individual contributions in themselves, the discussion will show that conjointly they capture much of the complexity of network development over the social enterprise lifecycle, showcasing the inter-relationships between the different social capital dimensions, as well as the mechanisms needed to dynamically re-arrange these in order for social enterprises to perform, thus providing a comprehensive model of network development in resource-constrained environments.

While the first and second paper look at social networks/social capital and their effects on social venture performance, **the third paper**, a longitudinal case study in the South African low-income context, focuses on the development of social capital, an important developmental outcome in itself, whose antecedents and mechanisms are under-researched (e.g., Narayan & Woolcock, 2000; Woolcock, 1998). Thus, this paper aims to answer the question: *How (and why) do social entrepreneurs facilitate community social capital in the context of deep poverty?* Contributing to the social networks and social capital literatures, and drawing from a context neglected by the current management literature (the South African low-income context), I find that by leveraging mechanisms such as different forms of bricolage, social entrepreneurs can effectively build and enhance community social capital. These insights also contribute to the innovation and entrepreneurship literatures by **showing how bricolage theory can be expanded to look into the enfranchisement of previously disenfranchised people** (for recent calls, see e.g., George et al., 2012).

The individual papers and the thesis as a whole have several major limitations, which will be discussed in the respective papers, as well as in the very end. Thereby, the thesis is **structured in the following way**: the next three chapters cover the three different papers, with each paper including an introduction, overview of the respective literature, its gaps, and the theoretical lenses employed, as well as a critical discussion. The empirical papers additionally include an overview of methods and findings. The first paper will focus on reviewing the extant literature on social networks, social capital, and (social) entrepreneurship, and on developing a typology of network development. The second paper will focus on the relationship between social networks/social capital and performance in a resource-constrained context, while the third paper will finish off with clarifying the antecedents and mechanisms behind social capital. The three papers will be followed by a critical discussion of the thesis' limitations, as well as suggestions for further research.

Chapter 1: Dynamic social networks, venture growth, and social enterprise performance

1.1 Introduction

Over the last decades, extensive research about the role of networks in venture creation and development in both the sociology- (e.g., Burt, 2005; Chiesi, 2007; Thornton, 1999) and management- literature (e.g., Hoang & Antoncic, 2003; Maurer & Ebers, 2006) has been produced. However, while social networks have been recognized as crucial elements for the growth of social ventures (Bradach, 2010; Waitzer & Paul, 2011), there has been identified a

lack of theory-motivated papers on how and why the different dimensions and configurations of social networks influence (social) venture performance *over time* (Aldrich & Kim, 2007; Dacin et al., 2010; Hull, 2010). Filling this gap, this paper builds a dynamic typology of network development by relating different network elements to the various organizational life cycle stages, to identify the success-patterns of young social ventures.

Social entrepreneurship as a field of interest and context has been treated in different disciplines, such as non-profit management, social movements, entrepreneurship, and strategic management (Dacin et al., 2011; Dacin et al., 2010). In this paper, I understand social entrepreneurship as 'entrepreneurship with a…social purpose' (Christie & Honig, 2006; Peredo & Chrisman, 2006; Peredo & McLean, 2006), not limited to a particular organizational form (Chell, 2007; Mair & Marti, 2006). It has been shown that social entrepreneurs have a high bridging capacity to include a variety of traditional and non-traditional stakeholders (Alvord et al., 2004; Perrini & Vurro, 2006). Therefore, the need for creating effective/efficient ecosystems potentially opens up considerable opportunities for social entrepreneurs to manage networks in order to perform both financially and socially (Bradach, 2003; Bradach, 2010; Busch, 2014; Waitzer & Paul, 2011), and therewith provides a fertile context for my inquiries. This paper will focus on the egocentric network of a firm and its founder(s), which consists of an individual's set of direct, dyadic ties and the relationships between these; the social entrepreneur and their team as focal actor are at the centre of this network (Hite, 2003; Hite & Hesterly, 2001). As an aggregate, these shape the organization's social capital (e.g., Maurer & Ebers, 2006; Pennings et al., 1998; Tsai & Ghoshal, 1998), i.e., "the sum of the actual and potential resources embedded within, available through, and derived from the network and the assets that may be mobilized through that network" (Nahapiet & Ghoshal, 1998: 243).

By identifying and synthesizing structural- and content- dynamics over the firm's lifecycle, I will integrate both social network- and entrepreneurship- theory into the social entrepreneurship context, while highlighting crucial differences between commercial and social entrepreneurship. This will fill several gaps in the literature, where there has been identified a gap concerning the relationship between network development and social venture performance (Dacin et al., 2010; Hull, 2010). Indeed, it has been found that research needs to identify how the different dimensions and configurations of social networks influence (social) venture performance (Busch, 2014; Wu, 2008). Thus, relating different network elements to the various organizational life cycle stages, this paper builds a typology of dynamic network development, to identify the success-patterns of young social ventures. Thereby, this paper answers the following questions: **'How and why do social entrepreneurs**

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build up and leverage networks to perform? Which ties are most relevant at which time, and which content is exchanged over time?'.

I follow recent calls to cross-fertilize process- and outcome- oriented research (e.g., Hoang & Antoncic, 2003), opening up the opportunity to establish the link between network formation/change and the performance of social ventures. Therewith, this paper contributes to the management literature by merging the structural dimensions of network approaches with the content dimensions of social capital approaches (Kilduff & Brass, 2010), developing a dynamic typology of network development related to social venture performance. I will show that the creativity and local embeddedness of social entrepreneurs potentially makes them effective network orchestrators. Introducing individual agency, I demonstrate that different ties/content of ties are employed during different stages of the (social) entrepreneurial process, and **contend that these ventures that are able to adapt their social ties to the respective challenges outperform those that fail to adapt**. I find that due to changing resource needs and strategic challenges, both network structure and network content change considerably from stage to stage. I conclude that selective boundary-spanning can lead to superior performance outcomes if aligned with the aforementioned time-contingencies, particularly given the fact that most social issues require far more resources than any social enterprise could potentially own/mobilize alone (Austin et al., 2006). Types of ties not yet mentioned in the traditional management literature, such as non-traditional partnerships with local communities, are shown to play a major role in multiple stages. I draw from the organizational ecology perspective (c.f., Hannan & Freeman, 1984; 1989; Kim et al., 2006; Maurer & Ebers, 2006) in order to theorize the mechanisms behind moving from stage to stage. Based on my examination, I develop a four-stage typology of network development related to organizational growth, which merges content- and structure- approaches, and integrates a dynamic (life-cycle) perspective. Thereby, my dynamic model of social venture network development opens up fruitful avenues for further research, both for qualitative and quantitative researchers.

I will start with a review of the literature, which will lay the ground for the typology, and will unveil the gaps in the network- and social entrepreneurship- literatures. I will then discuss the theoretical pillars of my model: from network and social capital theory I will draw the different network elements (tie structure, tie content, and type of tie), and from (social) entrepreneurship- theory the organizational lifecycle. Having laid the foundation of my model, I will relate the network elements to the life cycle stages of the social venture, to establish four types of networks that dynamically develop over the lifecycle of successful ventures: 'opportunity recognition network', 'emergence network', 'growth network', and

'sustained growth network', and will establish related mechanisms. I will close by briefly discussing the theoretical and practical implications of this paper, as well as its limitations and suggestions for further research.

1.2 Literature overview

1.2.1 Social entrepreneurship

To date, most research has centred around the conceptualization and definition of social entrepreneurs, social enterprises, and social entrepreneurship (e.g., Mair & Marti, 2009a; Peredo & McLean, 2006). The literature can be separated into papers focusing on (individual) social entrepreneurs (e.g., Sharir & Lerner, 2006; Van Slyke & Newman, 2006) and those focusing on activities, antecedents, and outcomes of social entrepreneurship and social enterprises (e.g., Weerawardena & Mort, 2006; Zahra et al., 2009). Thereby, *social entrepreneurship* has been regarded as the *process* of socially driven organizations applying business principles to reach their objectives (e.g., Austin et al., 2006; Mair & Marti, 2006), whereas *social enterprises* have been understood as the *outcomes* of this process, namely organization*s* that generate social value/impact (Mair & Marti, 2006; Robinson, 2006). While there is considerable dispute about the delineations of social entrepreneurship (e.g., Austin et al., 2006; Bornstein, 2004; Elkington & Hartigan, 2008; Robinson, 2006; Thompson et al., 2000), the majority of definitions cover the ability of an organization (social enterprise) or an individual/team (social entrepreneur) to leverage resources to address social problems (c.f., Dacin et al. (2010) and Short et al. (2009) for recent reviews).

Social entrepreneurship has been demarcated as "entrepreneurial activity with a…social purpose [and with the] underlying drive…to create social value" (Austin et al., 2006: 1f), not limited to a particular organizational form (Chell, 2007; Mair & Marti, 2006). By addressing a specific social problem, social entrepreneurs aim to alter social structures, and to become engrained in the local community. Thus, social venture 'performance' is related to social value creation, namely, the multi-dimensional outcomes the social enterprise's key constituents/stakeholders can hope for, such as the introduction of elements of dignity and security into their lives (Gill, 2010; Huang, 2011). This aim includes yet goes beyond financial sustainability, and focuses on the effects social entrepreneurs' activities have on the people they serve. Depending on the respective organization, 'performance' can be conceptualized and measured based on both outcomes and outputs; for example, in terms of the improvement of individuals' well-being, amount of beneficiaries helped, local capacity built, or number of projects taken over by other actors (c.f., e.g., Sen, 1999; Uvin et al., 2000).

Thereby, it has been contended that organizational development/growth is not necessarily the best approach to foster a social venture's mission and/or to produce the greatest social impact/performance, as organizational growth potentially squanders resources (Austin et al., 2006). However, it has been found that organizational growth can be important for increasing social performance, if planned for and executed in a sustainable and locally suitable way (Austin et al., 2006; Waitzer & Paul, 2011). Linked to it, scalability, i.e., the ability to increase the impact that an organization produces to better match the magnitude of the social need it seeks to address, can be a core determinant of the organization's performance (Mulgan, 2006; Weber et al., 2012). Following the extant literature (c.f., e.g., Bagnoli & Megali, 2009), this paper will understand 'successful' social ventures as those that combine financial subsistence with a measurable and relevant social value creation/impact (c.f., above), as well as institutional legitimacy (c.f., 'Chapter 3: Methodology' for a more fine-grained approach).

While there have been shown to be many similarities between social and traditional enterprises, such as similar general challenges they face over the lifecycle (e.g., Sharir & Lerner, 2006; Yitshaki-Hagai et al., 2007), there are several crucial distinctions, particularly with respect to their goals, as well as key processes and resources (Dacin et al., 2010). While entrepreneurs usually follow a primarily financial objective, social entrepreneurs are supposed to have primarily social objectives, often when states and markets fail to address important human needs (Austin et al., 2006; Yujuico, 2008). Thus, social entrepreneurs tend to focus on serving basic social needs/problem, while commercial entrepreneurs tend to focus on new needs and breakthroughs; the addressed opportunities are often quite different (Austin et al., 2008). Furthermore, while traditional entrepreneurs usually try to use resources to set up competitive barriers, social entrepreneurs, in turn, often aim to leverage resources in cooperative ways, sharing their techniques with other organizations to reach as many people as possible, as the emphasis often is on value creation and not necessarily value appropriation (Austin et al., 2006; Dacin at al., 2010). While both traditional entrepreneurs and social entrepreneurs employ measures of bricolage and utilize resources in similar ways (Baker & Nelson, 2005; Meyskins et al., 2010), given the scope of most issues and limited resources, social entrepreneurs have been shown to be "more likely to pay attention to external resources and develop creative mechanisms to circumvent environmental barriers" (Dacin et al., 2010: 48). Thereby, social entrepreneurs often employ volunteers to fill key functions, for example as board members, fundraisers, service-providers, or staff on the ground (Alvord et al., 2004). Therefore, it has been contended that there is a correlation between the content and structure of social ties/networks and social venture success (Busch, 2014; Dacin et al., 2010), as successful social entrepreneurs have

been shown to rely on collaborative efforts to build up their organizations, showing a high bridging capacity and the inclusion of a variety of stakeholders (Alvord et al., 2004; Dacin et al., 2011; Perrini & Vurro, 2006). Particularly due to the large portion of crucial resources outside their direct control that necessitate building meaningful relationships, for example with volunteers and donors, it has been shown that successful social entrepreneurs often need to show political and social management skills (Austin et al., 2006; Gronbjerg et al., 2000). Especially for young social entrepreneurial ventures, networks and their effective coordination have been identified as a main element for survival and ultimately success (Wheeler et al., 2005). For example, Wheeler et al. (2005), studying 50 cases of social ventures in developing countries, concluded that an increase in impact necessitated building ties with different stakeholders such as governments and multinationals simultaneously, rather than incrementally, as only then sufficient access to the variety of relevant assets such as human or investment capital was feasible. In a similar vein, Sharir & Lerner (2006) in their qualitative study of 33 Israeli social ventures showed that an increased interaction with the ecosystem was crucial, as it helped social entrepreneurs acquire resources and political support.

However, while there have been first papers that have integrated the notion of 'networks' into their writings on social entrepreneurship (e.g., Haugh, 2007; Wheeler et al., 2005), these often have been rather descriptive and not based on or sensitized by theoretical frameworks, e.g., from social network theory. The conceptual disagreement and confusion has been a barrier to theory-based advances in the field, particularly with respect to venture-/network- development and performance (Dacin et al., 2010; Hull, 2010). Indeed, while several papers have shown the applicability of different models to social entrepreneurship (e.g., Busch, 2014; Desa, 2010), the field is still in its infancy concerning the application and development of substantiated theories and models (Hull, 2010). I contend that particularly social network concepts will be fruitful to be integrated into the social entrepreneurship context, as successful social entrepreneurs rely on collaborative approaches to build up their ventures, usually including a variety of stakeholders (Alvord et al., 2004; Perrini & Vurro, 2006).

1.2.2 Social networks/social capital literature

There have been a variety of papers and reviews about the role of networks in venture creation and development in both sociology (e.g., Thornton, 1999) and management journals (e.g., Hoang & Antoncic, 2003). Social networks are understood as sets of actors and the ties that connect them (Brass et al., 2004), while social capital (SC) has been understood

as the value that is embedded in those (Putnam, 2000). I assume that social capital is not a 'given capital', but rather formed by dynamic processes that consist of building, maintaining, and capitalizing the respective networks (Adler & Kwon, 2002). Social network research can be divided into papers focusing on network structure, and those focusing on network content/governance; I will draw from both streams to derive the network-elements for my model (see below). It has been shown that firms with higher social capital usually perform better than those with lower social capital, as access to necessary resources is eased (e.g., Nahapiet & Ghoshal, 1998; Maurer & Ebers, 2006; Uzzi, 1996; Yli-Renko et al., 2001). Especially for young entrepreneurial ventures, networks have been shown to be an existential element for competitiveness and ultimately success, given that access to (free) resources is paramount especially in early stages (Schutjens & Stam, 2003). While most accounts put the use of social networks and its effects into a positive light, several papers have covered the potential constraints that social networks can entail, such as over-embeddedness (e.g., Gargiulo & Bernassi, 2000; Hansen, 1999), social liability and maintenance costs (e.g., Gargiulo & Bernassi, 1999; Maurer & Ebers, 2006; Uzzi, 1996), and parochialism and collusion (e.g., Meagher, 2005).

While some authors discussed the role of organizational and environmental factors and contingency (e.g,. Ahuja, 2000), there is limited evidence about the different conditions and configurations under which particular ties enhance performance (Stam & Elfring, 2008). It has been revealed with respect to business start-ups that it is not necessarily only the quality of network ties that can be related to venture performance, but rather the ability to adapt these ties in the different growth stages of the venture (Hite & Hesterly, 2001). This process-orientation mirrors recent attempts to model change in organizational strategy and entrepreneurship (e.g., Hutzschenreuther & Kleindienst, 2006), highlighting the agency of individual boundary-spanners in creating (and mobilizing) networks to tackle strategic challenges (Bian, 2010; Birkinshaw et al., 2007; Lingo & O'Mahony, 2010). Actors tend to learn to build networks over time, and due to accruing information and resources, increase their power within the network structure, which in turn may increase their value for the network (Kilduff et al., 2006; Paquin & Howard-Grenwille, 2012).

Following this understanding, the social enterprise/entrepreneur could be pictured as a 'hub' that orchestrates the innovation network (see Dhanaraj & Parkhe, 2006, for a similar argument with respect to traditional enterprises), and spans boundaries across partners. Indeed, as financial incentives are less pronounced in social enterprises due to structure (e.g., legal form) and mission (e.g., impact before profit), social entrepreneurs more so than traditional entrepreneurs often need to manage a broad range of stakeholders such as board

members, volunteers, and other partners, with less management levers available (Austin et al., 2006).

However, recent papers rooted in organizational ecology have shown that there are potential penalties to boundary spanning, as active boundary spanners often cannot effectively target a variety of audiences, and because their offerings might lie outside the audiences' cognitive schema (Hsu et al., 2009). Issues of gaining legitimacy have been raised; firms that span industrial categories show lower credit ratings (Ruef & Patterson, 2009); restaurants which combine new with classical cuisine have declining approval ratings (Rao et al., 2005); film actors who take on too diverse acts have a harder time finding work (Zuckerman et al., 2003); and inventors that come from different networks develop less useful patents (Fleming et al., 2007). How can these differing results be explained? I will contend that similar to other changing phenomena related to life cycles (e.g., resource needs), positive or negative effects of network coordination, boundary spanning, and brokerage (i.e., connecting two or more not previously connected actors) depend on the respective context, especially cultural (both organizational and national; c.f., e.g., Xiao & Tsui) and temporal (c.f., e.g., Light, 2008; Maurer & Ebers, 2006).

While the role of cultural context will be deepened in the subsequent two papers, this paper will focus on the role of timing. While boundary-spanning (and dynamically adapting ties) might be penalized in the short-run (as it potentially disrupts structures, cultures, and routines with existing partners), and thus might have negative short-term effects on organizational performance, after overcoming these challenges and if the right partners were chosen, these organizations that adapt their ties are expected to show superior performance (e.g., Kim et al., 2006). Zuckerman (2004) as one of the pioneers of time-sensitive approaches in network theory showed that the penalty-arguments of organizational ecology and the benefit arguments of social networks literature can be aligned: short- and long- term effects can be different. He found that the initial success requirements (e.g., forging identity; isomorphism) are quite different from later ones (e.g., multivalent identity; differentiation). Therefore, I uphold that different ties need to be employed during different stages of the social entrepreneurial process, and contend that these ventures that are able to adapt their social ties to the respective challenges and resource needs will outperform these that are not. The below mentioned organizational life cycle concept will help to determine the respective contingencies and relationships over time. I thereby respond to recent calls of social entrepreneurship scholars urging to develop "a nuanced understanding of…needs within each segment [to] enable partner organizations to provide the right services…at the right time" (Jenkins & Ishikawa, 2010: 16). As the below

elaborations will show, while the organizational life cycle stages of social entrepreneurs and entrepreneurs can partly be paralleled, several crucial aspects particularly with respect to tie characteristics and content are different.

While network research has mainly focused on the network configurations within and between established organizations, fewer papers considered the role of networks for new enterprises, particularly social ventures (for small ventures, see e.g., Aldrich & Kim, 2007). It has been urged that further research needs to clarify how different dimensions and configurations of social networks/capital influence performance (Busch, 2014; Wu, 2008). Thus, in the following I will derive a typology of network development, relating social networks to organizational growth/performance.

1.3 Pillars of the model

In order to build a dynamic typology of network and venture development, in the following I will elaborate on the building blocks for my model, drawing from (social-) entrepreneurship- and network- literatures. Thereby, synthesizing the different literatures, rather than limiting the focus on few hypotheses, I aimed to develop a typology and insights that could provide the basis for theoretically sensitizing both case-based and variable-based work around the networking patterns of social enterprises over time.

1.3.1 Life cycle stages

Both strategy and entrepreneurship research suggest that organizations evolve via progressive phases; while the naming of these has varied, as archetypical phases there have been identified emergence, early growth, later/sustained growth, maturity, and often death (see Butler & Hansen, 1991; Churchill & Lewis, 1993; Gartner & Brush, 1999; Hite & Hesterly, 2001; Kazanjian & Drazin, 1989; Larson & Starr, 1993). Various papers have focused on either network evolution (e.g., Butler & Hansen, 1991), organizational formation (e.g., Larson & Star, 1993), or organizational stages (e.g., Delmar & Shane, 2004; Gilbert et al., 2006; Levie & Liechtenstein, 2010; Timmons & Spinelli, 2003). The life cycle approach has been identified as useful for framing the processes of firm evolution and growth over time; **each stage thereby is seen as a proxy for strategic issues, such as resource acquisition challenges, asset stocks, and goals, and therefore goes beyond mere changes in time** (Burgelman, 1983; Jenkins & Ishikawa, 2010; Reese & Aldrich, 1995). Each stage represents a unique (strategic) context that impacts the firm's resource challenges and resource needs; firms need to master the respective resource challenges in order to grow and sustain

operations (Bhide, 1999; Churchill & Lewis, 1983; Hite & Hesterly, 2001; Jenkins & Ishikawa, 2010). In contrast to earlier approaches that were concerned with linear and incremental transitions from stage to stage (e.g., Churchill & Lewis, 1983), more recent work contended that these stages occur iteratively and include various feedback-loops, forming adaptive, dynamic stages that depend on the respective organizational resource needs, often driven by market and opportunity changes (Delmar et al., 2003; Levie & Liechtenstein, 2011; Light, 2008). While identifying the respective firm's stage in the process, as well as its transition points and boundaries, is inherently difficult (Hite & Hesterly, 2001), I will follow the extant understanding that challenges and characteristics of each stage are more useful and valid categories to identify these stages than timeframes (e.g., Gartner & Brush, 1999). I chose to focus on four stages ('opportunity recognition', 'emergence', 'growth', and 'sustained growth'), as my research interest lies in early-stage social ventures that do aim to grow[1].

The reason why networks (have to) change from one organizational growth stage to the other can be found in the firm's changing resource needs and resource challenges. The resources needed in early stages (e.g., emotional support) are not sufficient in later stages, where more dispersed, diverse resources (e.g., legal support) are demanded (Hite & Hesterly, 2001). Different stages hold dissimilar comparative advantages when it comes to the resource challenges of access, availability, and uncertainty; (successful) firms from earlier to later stages are supposedly increasing (the range of) resource availability, decreasing environmental uncertainty, and attempting to optimize resource access (Hite & Hesterly, 2001). Critics of this approach (e.g., Phelps et al., 2007) have been silenced by several empirical studies showing that these or similar stages hold true in different empirical contexts, for example regarding entrepreneurial startups (e.g., Eggers et al., 1994; Herrmann & Marmer, 2012), social enterprises (e.g., Bull et al., 2008), or Kenyan social enterprises (c.f., next chapter). Given that there are different types of scaling strategies (c.f., e.g., Weber et al., 2012), I contend that the elements of the below model will be accentuated differently depending on the chosen scaling strategy. Furthermore, based on previous empirical findings, I contend that while not all (social) ventures go through all of the stages, successful ones tend to do so (e.g., Bull et al, 2008; Herrmann & Marmer, 2012; Leadbeater, 1997; Light, 2008; Murray et al, 2010; also see next chapter).

In the following, **I will merge and integrate these approaches into the social entrepreneurship context, while clarifying the differences to 'traditional' entrepreneurship.** Thereby, I will draw from findings and insights in the social enterprise

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[1] I thus am not interested in organizations that do not aim to grow (c.f., Birch et al., 1995; Delmar et al., 2003), but rather focus on ventures that aim to continuously grow their organization and impact (c.f., Light, 2008).

literature (incl. Bull et al., 2008; Leadbeater, 1997; Light, 2008), for example Light (2008), who separated the social entrepreneurial process into 8 categories/stages: 'imagining', 'discovering', 'inventing', 'launching', 'scaling up', 'diffusion', 'sustaining', and 'navigating'. Based on a thorough literature review and discussions with scholars from the areas of entrepreneurship and social entrepreneurship, I demarcated the basic social enterprise life cycle stages in the following way:

1. The first two stages in Light's (2008) model are concerned with 'imagination' and 'discovering'. This refers to the creative process (e.g., Amabile et al., 2005) in coming up with new ideas. 'Discovering' refers to the discovery of an opportunity; for an entrepreneur this might be a market-opportunity, while social ventures usually start out with a clear social need that is tackled, which defines the opportunity scope (Austin et al., 2006; Bull et al., 2008). These characteristics correspond with the opportunity recognition-/concept- stage elements that have been described in the entrepreneurship- and innovation- literatures (e.g., Burgelman, 1983; Delmar & Shane, 2004), as well as the start-up- stage of social ventures (e.g., Jacokes & Pryce, 2O1O). Therefore, I will merge Light's two categories into the first social venture lifecycle-stage of my model, labelling it the **'opportunity recognition'-stage.**

2. Light (2008) calls the subsequent stages 'inventing' and 'launching'. While in the 'inventing' stage the specific products and processes are innovated and determined (see e.g., Birkinshaw & Mol, 2006, for case study-examples of management innovations), the 'launching' stage refers to going-to-market and establishing the product/organization. Leadbeater's (2007) model starts at this point; his 'stage one' involves recruiting the core team, acquiring physical capital, and endowing social networks. This corresponds with the infant- (Bull et al., 2008) or establishment- (Jacokes & Pryce, 2O1O) stage of social ventures, and can be paralleled with the **emergence stage** described in the entrepreneurship-literature, which usually begins with **launching and the legal creation of the firm** (Baum, 1996; Gartner & Brush, 1999). While survival is the paramount organizational goal, newly created firms often lack critical resources to ensure this survival (Baum, 1996; Gartner & Brush, 1999). I will label this stage **'emergence stage'**.

3. Light's (2008) 'scaling up' and 'diffusion' stages are concerned with internal capacity building and external diffusion; a multi-step process focuses on "expanding the impact of a new idea" (ibd.: 67), for example by building the necessary infrastructure (see Iyer & Davenport, 2008, for further research on infrastructure/capacity

building). Similarly, Leadbeater's (1997) 'stage two' involves growing the venture and acquiring new projects, users, and partners; individual social capital is 'invested', and it corresponds with the growth and expansion stage in other social entrepreneurship work (e.g., Jacokes & Pryce, 2010). These stages match the **early growth stage** detailed in the entrepreneurship literature, wherein the venture makes strategic decisions to intentionally grow beyond mere sufficiency and survival (Hite & Hesterly; Kazanjian & Drazin, 1989; Marmer & Herrmann, 2012). Combined with increased environmental uncertainty, due to yet unchartered territories and ambiguous institutional environments, as well as new contexts (Mair & Marti, 2009b), this necessitates more extensive and broader resources, and the search process becomes more intense, triggering growth and expansion (Hite & Hesterly, 2001). I will therefore label this third stage **'growth stage'.**

4. Light's (2008) last two stages are labelled 'sustaining' and 'navigating'. 'Sustaining' refers to institutionalizing the venture and its idea; 'navigating' refers to influencing the venture's ecosystem to drive 'ecosystem change'. This aligns with the 'mature stage' of other social enterprise scholars (e.g., Jacokes & Pryce, 2010). In a similar vein, Leadbeater's (1997) last stage involves safeguarding growth and avoiding stagnation; the 'dividends' of social networks are being reaped. While one could argue that social entrepreneurs more than traditional entrepreneurs try to change their respective ecosystems (e.g., Volans, 2009), the parallels to the 'late growth/sustaining'- stage mentioned in the entrepreneurship literature are apparent, especially with respect to the key elements and goals of establishing a sustainable advantage and orchestrating organizational ecosystems (e.g., Butler & Hansen, 1991; Gartner & Brush, 1999; Hite & Hesterly, 2001; Kazanjian & Drazin, 1989; Larson & Starr, 1993). Therefore, I will merge Light's two stages with the entrepreneurship literatures' stage into the **sustained growth stage'.**

These four categories will form the 'stages' of my model; coupled with several network elements, they will form the four different 'archetypical networks'.

1.3.2 Network elements

Based on a thorough literature review, I derived three main clusters to serve as my 'network elements' that can potentially be influenced and proactively developed by social entrepreneurs: structural characteristics, type/diversity of tie, and type of content. This approach of including both social network content and structure is supported in the

sociological literature (e.g., Moody & Paxton, 2009; Paxton & Moody, 2009). Based on this framework, I will later derive theoretically how and why I expect that social networks at each stage influence performance in different ways.

Structural characteristics

Network structure as the pattern of indirect and direct ties has a vital impact on resource flows and thus organizational outcomes (Hoang & Antoncic, 2003). Various measures from the network analysis literature have been used to uncover structural patterns that can be used to characterize the positions of entrepreneurs/their ventures in a network (e.g., Powell et al., 2012). **Network centrality** thereby refers to the position of an actor within the broader configuration of their networks (e.g., Powell et al., 1996). Central positions allow for easier information access, reputation and **status** increases, and other benefits, as actors often attempt to attach to more central others due to higher expected benefits (Burt, 1997; Pappas & Wooldridge, 2007; Powell et al., 2005). This in the longer run leads to organizations that are involved early to become more central over time, resulting in a bigger overall network size of relevant actors (Powell et al., 2005; Paquin & Howard-Grenville, 2012), such as investors, local communities, and other key stakeholders.

The characteristics of the relations between the different actors have been captured by the notion of **strong vs. weak ties.** Thereby, strong ties are characterized by frequent and prolonged interaction, reciprocal services, and emotional intimacy, while weak ties are loosely connecting the various actors (Granovetter, 1973; Hansen, 1999). One part of the literature upholds that emerging firms draw crucial resources from a **cohesive network** of these strong, embedded ties (Coleman, 1990; Walker et al., 1997). Similar to Hayek's (1991) 'microcosm', these small cohesive groups are based on shared norms, goals, and identity, and rely on personal relationships, providing crucial benefits to enterprises. Bruderl & Preisendorfer (1998), for example, found in a large-scale study covering 1600 German founders that strong ties (e.g., family and friends) played a more important role than weak ties (e.g., business partners and acquaintances) in venture growth and survival, as they provided the necessary resources and support. In contrast, other authors have shown that these cohesive networks can be constraining for emerging firms, showing that often weak ties (e.g., **bridging structural holes**) and the linked network centrality have a positive impact on venture growth and performance, as they allow for **more diversified access to resources** (Burt, 1992, 1997; Portes & Seisenbrenner, 1993). Hayek's (1991) 'macrocosm' follows a similar 'big group' idea, being less identity-based, allowing for enhanced group/network size, and thus enhanced resource access (c.f., also Chiesi, 2007).

Hite & Hesterly (2001) suggest that these opposing views might persist due to the often static approaches to network analysis (c.f., Aldrich & Reese, 1993; Rygall & Sorenson, 2007; Salancik, 1995). These potentially neglect the dynamic nature of networks, which continuously adapt to change and deliberate agency of internal and external players and boundary spanners (Bian, 2010; Madhavan et al., 1998; Parkhe et al., 2006). Thus, the conflicting evidence might be resolved by using contingency approaches (e.g., Rowley et al., 2000), looking at different venture stages or outcomes; as Uzzi (1996) showed, firms can benefit from a mix of strong and weak ties, combining the advantages of both. Indeed, it has been shown that weak ties often facilitate efficient information-sharing of non-complex knowledge, while strong ties are needed to facilitate the exchange of more complex and tacit information (Hansen, 1999); that is, both can be effective depending on the respective context. In my model, I build on these insights, integrating both process- (network formation) and outcome- (venture performance) dimensions, and therewith following recent calls to cross-fertilize process- and outcome- oriented research (e.g., Hoang & Antoncic, 2003).

Type of content

The content of ties refers to the items and resources that are exchanged via social ties. Social networks have been shown to enable the exchange of emotional support (e.g., Gimeno et al., 1997), access to information and opportunities (e.g., Burt, 1997; Dyer & Sing, 1998; Schutjens & Stam, 2003; Yli-Renko et al., 2001), advice, problem-solving, reputational and signalling content (e.g., Stuart et al., 1999), solidarity and coordination (e.g., Balogun et al., 2005; Brass et al., 2004; Schutjens & Stam, 2003), and financial and strategic resources (e.g., Acquaah, 2007; Lin, 2001). Particularly due the uncertain context of entrepreneurial activity, (social) entrepreneurs seek **legitimacy** (e.g., via associating with reputable individuals or organizations) to reduce the risk that is perceived by potential stakeholders (Hoang & Antoncic, 2003; Light, 2008). Recent studies undertaken in strategic entrepreneurship have shown that these exchanges are main determinants (e.g., Maurer & Ebers, 2006) or moderators (e.g., Stam & Elfring, 2008) of a firm's competitive advantage. While many of these insights can be transferred to the field of social entrepreneurship, there are several fundamental differences. Because of the ambiguities associated with social enterprise performance measurement, as well as of the different approach towards resource mobilization (e.g., moderated by the respective legal model), several value transactions differ from business entrepreneurship (Austin et al., 2006); volunteers, employees, and other crucial stakeholders often need to be motivated in **non-pecuniary ways** (Drucker, 1989), and different forms of value need to be provided to a more heterogeneous set of stakeholders (Austin et al., 2006). Particularly the relationship with

consumers is different, as social enterprise clients often have few or no financial resources, and **third-party payers or subsidies usually fill this fundamental vacuum** (Austin et al., 2006). Thus, social enterprises often show a high **complexity of relationships**, as often many of the resources needed for service delivery are located outside the organization, and as local community buy-in at times is essential (Austin et al., 2006).

Type of tie

While the structural approaches above are concerned with the density, depths, and position of actors/relationships/the network as a whole, this category focuses on the **actual type of ties,** such as family, friends, political parties, and business associations, **i.e. clarifying with whom actors actually connect** (a gap identified by scholars such as Maurer & Ebers (2006)). These ties are supposed to be the exchange-partners for the above-mentioned tie-content, and form the network structure. The types of ties of social ventures are numerous, ranging from fundraising-, franchising-, and grant-making- partners to private sector partners (c.f., e.g. Austin et al, 2006; Light, 2008). While social ties (e.g., family, friends) have often been related to shared values and mutual sentiments (e.g., supporting self-confidence and legitimacy), commercial ties (e.g., suppliers) have been linked to matters such as expertise; **multiplexity of ties** (as scope of tie involvement[2]; c.f., Kim et al., 2006) then refers to a combination of both (e.g., Johannisson, 1996; Schutjens & Stam, 2003). There have been empirical attempts to picture the multiplexity of networks with respect to entrepreneurial ventures; Chiesi (2007) found that the more successful a company (in terms of employee growth), the lower the degree of multiplexity. However, as it will be discussed below, particularly given the low purchasing ability of its beneficiaries, social enterprises often need funders to not only finance the growth of the venture itself, but also direct service delivery; thus, funders are often considered as primary clients, and engaged on different levels (Austin et al., 2006), therefore potentially increasing multiplexity.

These three network elements will be coupled with the four lifecycle stages, and form the different 'archetypical networks'.

1.4 A model of network development

In order to build my model in a systematic way, in the following I will combine the various life cycle stages with the respective network elements; for pragmatic reasons, I named these networks after the respective growth stage. It will be shown that while the growth stages of

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[2] Measured e.g. by number of business functions the tie encompasses (e.g. manufacturing, R&D); number of products produced in this tie; or number of markets the tie serves; Kim et al., 2006).

social entrepreneurs and entrepreneurs have similarities, there are decisive differences with respect to network structure, content, and types of ties employed in the different stages.

1.4.1 Opportunity recognition stage

A social venture's opportunity recognition stage is characterized by imagining and discovering the opportunity for change, and taking first steps into this direction (Jacokes & Pryce, 2010; Light, 2008). Social ventures usually start out with a clear social need that is tackled, which defines the opportunity scope (Austin et al., 2006; Bull et al., 2008). The core challenge in this stage is **gaining acceptance** in the market and among partners, given that as a new player usually there is no proven track record (Jacokes & Pryce, 2010).

Structural characteristics

Entrepreneurs as resource coordinators and agents usually bring in their individual networks and pre-existing ties (Hite, 1999; Paquin & Howard-Grenville, 2012). Thus, in the opportunity- and emergence stages, the entrepreneur's social network and the firm's network are virtually synonymous (Bhide, 1999). Research in entrepreneurship and sociology postulates that ventures in these very early stages often foster **dense** sets of connections, resulting in networks that are primarily based on socially embedded ties; **cohesion and closure**, based on norms of shared cognitive schemes and reciprocity with a limited set of partners, prevail (Maurer & Ebers, 2006). Hite & Hesterly (2001) labelled these types of networks **'identity-based'**, in contrast to 'calculative networks' that are governed by economic cost/benefit calculations, usually arising in a commercial venture's later growth stages. This identity-based nature is arguably emphasized with social entrepreneurs: they are often deeply embedded in local communities, where they identify particular social problems to be tackled by their mission (Mair & Marti, 2006). The associated rules of engagement can be pro-actively shaped by key actors (Paquin & Howard-Grenville, 2012); social entrepreneurs form these by articulating shared goals and norms of action among key stakeholders (Austin et al., 2006). In the opportunity-recognition stage, social entrepreneurs need to draw on a variety of stakeholders to formulate the social value proposition and to reconcile the values and ideas of (potential) funders, customers, and community (Bull, 2008). It has been shown that more centrally positioned actors have more leverage in shaping strategy and influencing stakeholders (Austin et al., 2006; Busch, 2014). Thus, I contend that already in the opportunity recognition stage, successful social entrepreneurs assume a central network position in order to be able to formulate a compelling social value proposition and to align stakeholder values and interests.

This early, pro-active positioning appears different from commercial entrepreneurship, where intentional network-management usually only occurs after the emergence phase (e.g., Dhanaraj & Parkhe, 2006; Dyer & Singh, 1998; Rowley et al., 2000). Network centrality has been related to status (Wassermann & Faust, 1994). High-status organizations usually have greater acceptance in the marketplace, and better access to resources such as network partners and human capital, and more options and discretion to choose between potential partners (Kim et al., 2006; Podolny, 2001). Given that in the opportunity recognition stage, a key challenge is acceptance in the marketplace in order to get access to resources and partners, and to perform (e.g., Jacokes & Pryce, 2010), I contend that organizations led by high status individuals/teams will be advantaged due to a potentially higher acceptance in the marketplace, and all things equal the higher the status of the respective individual social entrepreneur within the social enterprise space, the higher the probability that the social enterprise will be successful in the opportunity recognition stage.

Type of content

It has been shown that in a venture's initial stages, opportunities are drawn from the network both with respect to tangible resources, as well as intangible needs and diverse knowledge flows (Butler & Hansen, 1991[3]; Light, 2008), and that entrepreneurs in this stage benefit from **diverse information flows** to build up their value proposition (Butler & Hansen, 1991; Schutjens & Stam, 2001). Even more so, social entrepreneurs often **rely on local communities to inspire their social value proposition**, which is often based on a concrete local need/problem, informed and influenced by the local peoples (Light, 2008). This local embedding potentially leads to further **legitimacy**, which has been shown to be crucial in the early stages of a venture, as it increases (perceived) accountability and reliability (e.g., Delmar & Shane, 2004).

It has been revealed that most of the basic resources and inputs needed are similar between traditional and social enterprises, and both need to build trust among their contributors in order to attract these inputs (Austin et al., 2006). However, the nature of financial and human resources is partly different, especially due to the possibilities of resource mobilization. Social entrepreneurs' financial resources are often drawn from membership/user fees, foundation grants, individual contributions, and government payments (Austin et al., 2006), and due to the (limited) nature of the financial sources available to them, social entrepreneurs are often not able to pay market rates or offer incentives such as stock options (Oster, 1995). In the opportunity recognition-stage, social

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[3] I assume that Butler & Hansen's (1991) network development stages can be applied/seen in parallel to Larson & Starr's (1993) lifecycle stages (for justification, see e.g., Schutjens & Stam, 2001).

entrepreneurs often rely on preparations for grant funding, which takes time and often leaves the venture with a lack of monetary resources to incentivize stakeholders (Austin et al., 2006; Bull, 2008). Non-monetary means such as shared vision and pride have been identified as effective incentive mechanisms, especially if monetary resources are not available (c.f., Ahlert et al., 2008; Beckman & Zeyen, 2012). Thus, I contend that in the opportunity recognition stage, successful social entrepreneurs attract and engage key stakeholders (e.g., local community members, volunteers) via non-financial means such as pride and shared vision.

Furthermore, social enterprises in the opportunity recognition stage usually start out with a clear social goal, defining the scope and operations, and thus the range and variety of resource needs (Austin et al., 2006; Bull et al., 2008). Social enterprises usually do not own many resources, but rather rely on a variety of outside partners to get access to these resources; particularly larger-scale solutions often need inputs from a diverse group of stakeholders (Austin et al., 2006; Gronbjerg et al., 2000). Thus, I contend that the larger the scope of the social goal that is framed in the opportunity recognition stage, the more (diverse) resources a social venture will need to draw from its network in order to be successful.

Type of tie

Due to the emotionally charged nature of creativity, which is dominating in this stage, as well as high prevailing uncertainty, entrepreneurs rely on emotional support from interpersonal relationships (Amabile et al., 2005; Hunter et al., 2007). Gathering tangible and intangible resources from close ties such as neighbours and friends takes an important role (e.g., Birley et al., 1991; Light 2008). With social enterprises, particularly (municipal) governments play a major part early on in the social enterprises life cycle, as they help increase access to resources, support in implementation, and awareness (Korosec & Berman, 2006). Due to the above-mentioned reliance on the local community to articulate the particular problem, and the co-creation of a possible solution/SVP, social entrepreneurs show a higher reliance on local networks than traditional entrepreneurs (Light, 2008). In order to effectively tackle the beneficiaries' needs and develop community buy-in, local community members are often involved in product development, often as members of the founding team (e.g., Parker et al., 2013). Thus, I contend that due to the embedded nature of the problem/opportunity, social entrepreneurs in the opportunity recognition stage will build close ties with local communities, often involving them in their processes and services.

Thus, in the first stage of social venture development, successful social ventures are theorized to leverage personal ties for emotional support, information provision, and legitimacy, and rely on the local community for the framing of their value proposition. As this phase is mostly concerned with identifying and exploring the opportunity, I will name the network needed in this first stage '**opportunity recognition network**'.

Enabling/constraining mechanism

As discussed above, social entrepreneurs in the opportunity recognition stage are usually deeply embedded in the local community, and receive much of their legitimacy by understanding and catering to local needs. Indeed, an organization tends to obey to the cultural practices and norms in a society or community in order to gain legitimacy and thus be able to perform (Kim et al., 2006; Di Maggio & Powell, 1983). However, norms potentially constrain the change and dissolution of ties; particularly in cases where there are strong norms in an ecosystem/community that restrict these changes, partners that are not seen as integral part of a community might be met with scepticism (Kim et al., 2006). Social entrepreneurs in the opportunity recognition phase face the challenge of bringing together different stakeholders with potentially different norms/approaches, such as grant-funders and the local community, in order to be able to put their idea into practice. The move from opportunity recognition to emergence stage necessitates institutionalizing and coherently communicating the idea; i.e., reaching a compromise satisfying the multitude of relevant stakeholders included (c.f., Hanleybrown et al., 2012; Kramer & Kania, 2011; Martin & Osberg, 2007). Thus, I contend that the less restraining and the more aligned the related stakeholder expectations, the more probable it is for a (potential) social venture to be able to move towards the emergence stage.

1.4.2 Emergence stage

Similar to traditional ventures, the organizing/emergence stage of a social venture begins with the launching of the product and/or the legal creation of the firm (Gartner & Brush, 1999; Light, 2008). While survival is the paramount objective, newly created firms often lack critical resources to ensure this survival – thus, uncertainty is high, and legitimacy, reputation, and market knowledge are usually still lower than in later growth stages (Baum, 1996; Gartner & Brush, 1999; Hite & Hesterly, 2001). Due to the need of turning ideas into a product or service, often trial-and-error processes are needed to lead to a specific product/process, often inspired by outside inputs (Light, 2008). Launching the respective product or service requires engaging the respective target group via marketing, promotion, sales, and logistics in order to generate and leverage demand (Light, 2008).

Structural characteristics

Similar to the opportunity recognition stage, in the emergence/organizing stage, an entrepreneur's social network and the firm's network are virtually synonymous (Bhide, 1999). The prevailing cohesive network/'microcosm' allows drawing in the necessary resources, and personal face-to-face relations between volunteers and other stakeholders often act as an inexpensive (lateral) monitoring and sanctioning mechanism that coordinates the resource flow, as negative participation could lead to punishment such as exclusion (Beckmann & Zeyen, 2012).

In the emergence-stage, an organization launches its products, and needs to establish an income stream; the customers of social enterprises, however, are often not able to afford the product/service of the enterprise; rather, already early on third-party donors/funders need to be brought in order to finance the service/product (Austin et al., 2006; c.f., next chapter). Thus, social entrepreneurs provide a bridge between customers and payees. Burt (2005) refers to connecting previously unconnected groups as brokers, filling 'structural holes'. Social enterprises that rely on a donor-/grant-funded model (in contrast to a service- or self-funded- model), thus in the emergence phase de facto assume the role as broker between funders and customers. Acting as a broker filling these structural holes potentially provides an organization with structural autonomy and benefits such as access to information, as it controls the flow of resources and has access to non-redundant information (Burt, 1997). A structural hole-rich position usually enables access to a more diverse set of information on market risks and opportunities, and facilitates strategic actions such as changing partners (Gnyawali & Madhavan, 2001; Kim et al., 2007). Thus, I contend that the more structural holes a social enterprise fills in the emergence stage, the more flexibility it endows, and the more likely it is to successfully perform. However, this brokerage-position might also carry the risk to constrain the venture, as the different stakeholders' expectations need to be aligned (c.f., above); thus, this statement is only true if cognitive frames can be aligned (c.f., chapter 2).

Type of content

It has been shown that social entrepreneurs need to enter the public discourse early on and need to bring local leaders on their side, in order to get buy-in from the local community and key partners (Light, 2008; Sharir & Lerner, 2006). In contrast to business entrepreneurs, due to the often broader scope of the 'opportunity'/social need they are addressing, social entrepreneurs are already in this stage pressed towards growing the solution (rather than only the venture); often funders exert high pressure to expand the reach of their solutions as

fast as possible (especially also via the use of resources outside organizational boundaries), even if it is at the cost of growing the venture itself (Austin et al., 2008). Thereby, in contrast to business entrepreneurs that are usually free to use funding at their own discretion, social venture investors due to limited measurability and fragmentation of the marketplace usually provide only a small portion of the venture's capital needs for a short period of time, which often leads to a further (time-intense) diversification of stakeholders, such as grant-makers (Austin et al., 2006; Letts et al., 1999). Rather than direct financial returns, in return funders and volunteers often demand non-financial benefits such as board positions or particular reporting requirements, which might differ significantly (Austin et al., 2006). Thus, I contend that already in the emergence stage, social entrepreneurs deal with a high complexity of stakeholder-relations; the more (diverse) funders are involved, the more complex not only the stakeholder relationships, but also the service delivery, given that funders often demand adjustments in order to fulfil grant requirements.

Type of tie

Due to the above-mentioned resource needs in this stage, start-ups need to get access to outside resources that cannot easily be created within the firm; as financial capital and legitimacy are limited, external networks become crucial (Hite & Hesterly, 2001; Larson & Starr, 1993). In order to establish broad legitimacy and buy-in, convincing local leaders in the public domain often becomes critical (Light, 2008; Sharir & Lerner, 2006). While relationships of commercial entrepreneurs in this stage are usually simple, single-dimensional, and dyadic (Larson & Star, 1993), social entrepreneurs early on in their organization's life have to develop multi-stakeholder relationships, given that many more resources that they need to address the respective social problem are outside their organization (Austin et al., 2008). As indicated above, due to constrains on funding and incentives, social entrepreneurs often leverage volunteers to fill key functions, for example as fundraisers, service-providers, or staff on the ground (Alvord et al., 2004), as they are often not able to pay market rates or offer incentives such as stock options due to their legal form (Oster, 1995). This potentially leads to a **multiplexity** of a social venture's ties (Kim et al., 2006). Thus, I contend that while business entrepreneurs in the emergence stage foster single-dimensional, simple relationships, social entrepreneurs already develop complex, multi-stakeholder relationships. Thereby, given that higher opportunity scope/social impact often necessitates a diverse coalition of partners with different types of resources (c.f., above; Austin et al., 2006; Light, 2008), I contend that the larger the aspired opportunity scope of an organization, the earlier the organization will enter multi-stakeholder relationships, and the more multiplex these relationships will turn out to be.

I will label the network that is required in this stage **"emergence network"**.

Enabling/constraining mechanisms towards the next stage

Expanding beyond their initial reach has been identified as major challenge for social ventures, as resource needs and challenges change more dramatically, necessitating a different network composition (e.g., Light, 2008). At the same time, the deep embeddedness (c.f., above) might constrain intentional network management (Hite & Hesterly, 2001); the resource access advantage of being entrenched in local communities might turn into a liability in constraining the adaptation of the network, for example when volunteering family members that were relevant in the first stage demand to stay on even if not needed any more (c.f., next chapter). Indeed, growth-oriented entrepreneurs have been found to move their ventures **away from family and friends towards business networks** (Baines & Wheelock, 1999). However, in contrast to traditional entrepreneurs, a social entrepreneurs' value proposition and other relevant elements often are deeply contextualized (Light, 2008), which **makes dis-embedding more complex**. It has been shown that as a result social entrepreneurs **employ creative strategies to circumvent these issues, for example by creating opportunities outside their organization for family and community members that would otherwise expect to be employed by the respective social entrepreneur** (c.f., 'findings' in the next chapter).

1.4.3 Growth stage

As discussed above, in the growth- ('take-off'-) stage, a social venture makes strategic decisions to intentionally develop beyond mere sufficiency and survival (Hite & Hesterly; Kazanjian & Drazin, 1989; Leadbeater, 1997; Light, 2008). Combined with increased environmental uncertainty (due to yet unchartered territories and ambiguous institutional environments with expansion (Mair & Marti, 2009b)), this necessitates more extensive and broader resources, and the search process becomes more intense (Hite & Hesterly, 2001).

Structural characteristics

Moving along the life cycle, commercial entrepreneurs tend to shift their networks from identity-based to calculative ones in order to adapt to new challenges (Hite & Hesterly, 2001). A previously relatively organic network becomes more intentionally managed; the exploitation of structural holes is emphasized over cohesion; and primarily socially embedded ties are complemented with arm's length relations (Burt, 1992, 2005; Hite & Hesterly, 2001; Rowley et al., 2000). The shift from an identity-based to a calculative network denotes a change in strategic context for the firm (Hite & Hesterly, 2001). Thereby,

while commercial entrepreneurs tend to limit contextual dissimilarities, growing social entrepreneurs often deliberately tap into highly dissimilar contexts to increase the impact of their idea, which in turn necessitates different resource mobilization and dissemination strategies (Waitzer & Paul, 2011; Weber et al. 2012). However, as discussed above, the social enterprise's mission and operations are often deeply embedded in local communities (Busch, 2014; Peredo & Chrisman, 2006), and depend on the buy-in of these (local) stakeholders (Austin et al., 2006). Without this local embeddedness, social enterprises find it hard to survive, as their working model is usually based on a small-group/'microcosm' logic, based on cultural and social context (Beckmann & Zeyen, 2012). Shifting from a 'small-group' to a 'big-group' logic potentially causes severe friction, as while increased specialization and division of labor is needed to grow, the end-connected, personal nature of (local) social interaction is engrained in the organization's business model and necessitates local embeddedness to provide effective solutions (Beckmann & Zeyen, 2012).

The social entrepreneurship literature has shown that many of these social enterprises that scaled their impact employ an approach that **allowed to bridge local embeddedness and global growth, namely social franchising or licensing** (see Beckmann & Zeyen, 2012; Tracey & Jarvis, 2007; next chapters). Via leveraging the social, financial, and human capital of local organizations ('franchisees' or 'network partners'), these forms of replication allow addressing resource scarcity challenges, mitigating agency concerns, and scaling without forcing internal organizational growth (Beckmann & Zeyen, 2012). Via the establishment of independent, self-run subsidiaries, a social franchise/licensing system allows preserving the social small-group business model of the social venture by replicating the original organization/local small-group conditions, while integrating rule-connected ('macrocosm') forms of coordination (e.g., processes, systems, monitoring) to increase efficiency and scale of the solution (e.g., Beckmann & Zeyen, 2012). The 'multiplied' small group logic on the ground acts as an additional control and alignment mechanism, as the local volunteers, employees, and supporters interact with and observe the franchisee (Beckmann & Zeyen, 2012; Volery & Hackl, 2010).

Thus, I content that successful social enterprises in the growth stage tend to combine a big group logic/range (with respect to participating organizations) with a small group logic/cohesion (local partners in their own communities) in order to scale their impact while keeping locally embedded. An example that has been found frequently is empowering

individuals on the ground to build identity-based relationships, e.g., via social franchising (c.f., next chapter)[4].

Type of content

In later stages of network development, relationships become **more multiplex**: relationships that were non-instrumental are often leveraged for economic benefit, and previously instrumental relationships might become imbued with affective components (Larson & Starr, 1993). Especially resource scarcity triggers an increasing number of growth-oriented social entrepreneurs to leverage micro-entrepreneurs in local communities in order to get access to funding and manpower; particularly social franchising has been considered by expanding social enterprises, as local entrepreneurs bring in both capital and commitment (Ahlert et al., 2008; Beckmann & Zeyen, 2012). However, it has been shown that fast growth of the solution/outcome (i.e., 'impact') can be a severe drain on the social venture's resources (particularly human resources), and can potentially endanger the survival of the organization (Austin et al., 2006). A temporary non-successful case, the UK-based Guide Dogs for the Blind Association (GDBA), illustrated some of the consequences of not mastering the intentional and deliberate transition towards the growth stage (c.f., e.g., Grossman et al., 2003): the organization was pressured by its stakeholders to extend its basic guide-dog services towards holiday programs of the visually impaired, which was well-received by most clients, yet in 1997 resulted in overstretching the (financial) resources of the organization. It led to the threat of liquidation of the organization, and a new CEO had to turn around the organization by partnering with various organizations for service delivery. Given that venturing into dissimilar contexts is an approach favoured by social entrepreneurs in order to scale their impact (c.f., Waitzer & Paul, 2011; Weber et al. 2012), I contend that successful social entrepreneurs in the growth stage balance the resources needed for scaling social impact with those needed for organizational survival.

Type of tie

Commercial entrepreneurs in the growth stage have been observed to move their ventures away from family and friends towards business networks; rather than on neighbours and friends, entrepreneurs depend increasingly on bankers, professional accountants, lawyers, government agencies, and suppliers to leverage business information (Birley et al., 1991). Both individual and organizational contacts are often used for the immediate needs of the venture; direct business links are established, for example with capital providers, customers,

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[4] This might also be an explanation for why many social enterprises never scale/grow; in the assumption that they can follow a similar trajectory as commercial enterprises, they aim to scale their organization and solution across geographies and fields, without taking into account the need for keeping a small-group/microcosm logic, and thus creating a tension that ultimately lets the organization fail (or at least not scale).

and suppliers, giving rise to a more business- focused network (Butler & Hansen, 1991). While these basic premises might hold true for successful social entrepreneurs (Light, 2008), there are significant differences, particularly with regards to financing and funding growth. As mentioned above, social entrepreneurs cannot tap into the same financial markets as entrepreneurs (Austin et. al., 2006), and often have to use different sources of capital, such as governments or foundations (grants) or social venture funds (social investments). In cases where traditional capital markets are tapped and traditional investors are taken on board, a core challenge for the social venture is to maintain a focus on the social mission while generating returns for shareholders (Austin et al., 2006). Due to this restricted access to traditional financing tools (e.g., longer term investments), as well as often non-stable revenue sources (e.g., if grant-financed), social entrepreneurs need to perpetually tap capital sources, which distracts from their core operations (Austin et al., 2006). For this reason, fundraising/securing financing plays a major and recurring role across the whole lifecycle, particularly in the expansion period; strategic stickiness (due to a particular social problem embedded in their core mission, rather than core products) adds to this array of constraints (Austin et al., 2006.). A way to avoid stickiness is to access a variety of funders connected to the mission and with an aligned cognitive frame, easing to scale beyond the respective local community (c.f., Chapters 3 and 4; Light, 2008). Thus, I contend that in the growth stage, successful social entrepreneurs diversify their (funding) ties in order to be able to scale and to dis-embed from early funders, and abandon old funding ties if these restrict growth and mission delivery. However, if not managed well, this diversification might carry the risk of over-stretch, which has been linked to failure (e.g., Grossman et al., 2003).

That is, in this stage, network management becomes increasingly focused on organizational and solution growth; I will therefore name this network **'growth network'.**

Mechanism for abandoning ties in favour of new ones

As discussed above, social enterprises often develop multiplex relationships with stakeholders; this multiplexity leads to higher tie embeddedness, as usually mutual obligations and expectations are imbued on different levels (e.g., increasing interaction), and partners (here: e.g., volunteers) identify stronger with each other (Kim et al. 2006), which might increase the possibility of cognitive and relational lock-in (i.e., the dis-ability to cut old ties in favour of new ones; e.g., Maurer & Ebers, 2006). At the same time, as discussed above, social entrepreneurs often venture into dissimilar areas and thus need to engage with a broad range of stakeholders and adapt their ties. It has been shown that horizontal differentiation, i.e., specializing relationship management, can work as an effective mechanism to overcome network inertia, as it allows organizations to broaden their focus

while deepening the most relevant relationships (e.g., Maurer & Ebers, 2006). Thus, I contend that the higher the degree of horizontal differentiation, the more likely that a social enterprise will be able to grow and sustain their ties, and move to the sustained growth stage. It has been shown that vertical integration, that is, delegating relationship management to lower levels, has been a complementary mechanism in successful ventures, as it allows releasing top management/founders from having to manage these ties/functions, and the organization to manage a broader variety of contacts (e.g., Maurer & Ebers, 2006). Given that in a social venture's sustained growth stage, the need for broader range of resources necessitates access to a diverse range of strong/trusted contacts (e.g., policy-makers) (Volans, 2009), I contend that social entrepreneurs that employ vertical differentiation are more likely to avoid lock-in, as they more flexibly adapt their ties to successfully move to the sustained growth stage.

1.4.4 Sustained growth stage

As indicated above, the sustained growth stage of a social venture refers to institutionalizing the venture and its idea and driving country- or global- ecosystem change. The replicability of the social venture's operational model has been shown to play an important role in order to grow sustainably (e.g., Weber et al., 2012); reducing complexity and standardizing administrative functions potentially enable the organization to grow faster, as the transfer of knowledge and solutions is eased (Bloom & Chatterji, 2009; Bloom & Smith, 2010).

Structural characteristics

The formalization of ties via introduction of processes and procedures in later growth stages changes the interpersonal- into inter-organizational ties that potentially provide resource and information exchange relations between firms (Galaskiewicz & Zaheer, 1999; Hite & Hesterly, 2001). Operational difficulties such as insufficient distribution channels and purchasing ability of beneficiaries are potential challenges to scaling and sustaining this social activity (Bloom & Smith, 2010; Taylor et al., 2002), yet can be overcome by alliances (Volans, 2009). The adaptability of the operational model to the respective cultural and institutional context points to the contextualized nature of social enterprise activity; factors such as regulatory and policy environment and local norms necessitate adapted solutions, and pro-active engagement with policy-makers (Perrini & Vurro, 2006; Weber et al., 2012; Wheeler et al., 2005). Building enabling ecosystems plays a major role in order to reach critical mass, and to contextualize solutions while enhancing and sustaining scale and scope of activities and solutions (Beckmann & Zeyen, 2012; Volans, 2009; c.f., next chapter). As discussed above, the network literature has shown that more centrally positioned actors

take the role of 'network orchestrators' that enable and sustain the network (e.g., Dhanaraj & Parkhe, 2006)[5]. Thus, I contend that in the sustainable growth stage, successful social ventures sustain their central network position to develop contextualized solutions and coordinate alliances in order to further grow and safeguard their activities.

Type of content

In this stage, alliances are supposed to increase market share and access to distribution channels, infrastructure, and open access to policy-making (Alvord et al., 2004; Volans, 2009). These alliances are often chosen based on mission alignment, rather than highest efficiency as in the commercial sector, in order to allow for joint cognitive frames (Bloom & Smith, 2010; Perrini & Vurro, 2006; also c.f., chapter below). As anthropologists have shown with examples such as of India's social enterprise Waste Ventures (e.g., Gill, 2010; Hoang, 2011), by transitioning underpinning socio-political circumstances of poverty (e.g., case-based social justice) to occupation-based political representation, social enterprises often go beyond single-product-solutions (e.g., solar lanterns), and influence policy and institutional frames (c.f., next chapter). Rather than leveraging partnerships to build the organization's resource pool, like in the case of traditional enterprises, social enterprises often participate in sector-wide talent pools and knowledge sharing to affect systemic change (Austin et al., 2006). Microfinance institution Women's World Banking, for example, invests into creating sector-wide networks of microfinance organizations to build shared knowledge and enhance the sector's ability to have an effect on banking regulations regarding microfinance (Austin & Harmeling, 1999). While traditional enterprises would guard their competitive advantage, social entrepreneurs often give it up in order to maximize the broader impact of their solutions (Austin et al., 2006). Thus, I contend that in the sustained growth stage, successful social entrepreneurs will share their knowledge and model in order to scale their impact, rather than merely their organization.

Type of tie

It has been shown that the system-changing aspects of social entrepreneurial efforts necessitate strong involvement of crucial parts of municipalities, government, or political parties (Korosec & Berman, 2006; c.f., next chapter), and that larger-scale impact can only be reached via legislation and advocacy, as it allows for influence on regulatory and financial

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[5] It is beyond the scope of this paper, but interestingly enough the assumption of core papers that looked into network orchestration (e.g., Dhanaraj & Parkhe, 2006) is that all players will follow their own self-interest; I assume that in collectivistic contexts (c.f., chapters below), as well as with a social enterprise as lead firm, this assumption needs to be adjusted to an 'enlightened self-interest'. Secondly, while the assumption of traditional papers (i.e., focusing on traditional management/entrepreneurship) is that value creation and appropriation is key, in the context of social entrepreneurship often value creation is much more important than the appropriation of this value (often third party funders etc. indirectly contribute funds etc.). This might provide the basis for intriguing research in the future.

resources controlled by public institutions (Lester et al., 2008; Light, 2008). Particularly in later stages, social entrepreneurs often try to influence institutional frameworks and ecosystems (c.f., e.g., Light, 2008; Volans, 2009). Thus, I contend that the higher the (desired) social impact of a social venture, the higher the engagement of relevant government and policy-makers in the sustained growth stage.

In contrast to traditional entrepreneurs whose goal is to increase market share and grow the organization (following a market-driven 'big group' logic/macrocosm), for social entrepreneurs building sector-level capacity and cooperations with complementary organizations (e.g., as franchisees) to scale their solution have been shown to be paramount (Austin et al., 2006). However, despite strong intentions to do so, most social entrepreneurs fail to grow their organizations and scale up their impact, as growth often causes friction (Ahlert et al., 2008; Beckmann & Zeyen, 2012). While traditional entrepreneurs often base their sustained expansion on a rule-connected market coordination logic (Hayek's (1991) 'macrocosm'), as mentioned above, social entrepreneurs need to rely on a sustained end-connected logic, emphasising shared goals (Hayek's (1991) 'microcosm') in order to keep the buy-in of local communities (Beckmann & Zeyen, 2012). Thus, I contend that methods such as social franchising, which via the use of locally entrenched entrepreneurs allow keeping the 'microcosm' logic while embracing a 'macrocosm'-logic, allow social ventures to sustain their growth by balancing local embeddedness and global reach within a sustained model. In contrast to the initial growth stage, the organization's aim is not only to expand the organization/its reach and network, but rather to sustain the organization's role in the ecosystem and broader institutional frame (Light, 2008; c.f., Chapter 3). I will thus name this network **sustained growth network**.

While above I focused on the intentional network management of social entrepreneurs, it has been shown that even intentionally assembled networks rely on a high degree of serendipitous encounters (Kilduff & Tsai, 2003); over-focusing on intentional network-management might thus limit opportunities arising from serendipitous contacts and conversations (Kim et al., 2006; Paquin & Howard-Grenville, 2012), which might open up potential avenues for intriguing future research.

Below, I will briefly discuss the implications and limitations of this paper, and close with suggestions for further research, and a conclusion.

1.5 Discussion

This paper started out with the research question **'How and why do social entrepreneurs build up and leverage networks to perform? Which ties are most relevant at which time, and which content is exchanged over time?'**. In order to answer this question, I synthesized entrepreneurship- and network-/social capital- approaches, and applied these in the social entrepreneurship context. **Merging the structural dimensions of network approaches with the content dimensions of social capital approaches, I developed a dynamic typology of network development.** This followed recent calls to cross-fertilize process- and outcome-oriented research (e.g., Hoang & Antoncic, 2003), and established the link between dynamic network formation/change and social venture growth/performance. This fills several gaps in the literature, where there has been identified a gap concerning the relationship between network development and social venture performance (Dacin et al., 2010; Hull, 2010), particularly regarding how the different dimensions and configurations of social networks influence (social) venture performance (Busch, 2014; Wu, 2008). This contributes to our understanding of which actors (social) entrepreneurs actually connect to (c.f., Maurer & Ebers for the respective gap), and details the different types of ties, as well as their content.

I demonstrated that different ties/content of ties are employed during different stages of the (social) entrepreneurial process, and **contended that these ventures that are able to adapt their social ties to the respective challenges will be more probable to grow and perform.** I conclude that selective boundary-spanning can lead to superior outcomes if aligned with these time-contingencies, particularly given the fact that most social issues require far more resources than any social enterprise could potentially own/mobilize alone (Austin et al., 2006). The organizational ecology perspective (c.f., Hannan & Freeman, 1984; 1989; Kim et al., 2006; Maurer & Ebers, 2006) further helped to elucidate mechanisms behind moving from early to later stages.

I hope that this dynamic model of social venture network development can be used to inform both case- and variable- based research regarding social entrepreneurs as network orchestrators. I trust that this model will have several important *practical implications* as well. Direct ones include the opportunity for social entrepreneurs to use it as an inspiration for orchestrating their networks over their venture's lifecycle. The synthesis of a clear and easy to follow typology gives social entrepreneurs a tool to consciously approach their relationship-management, and potentially functions as a guiding framework to adapt and improve growth strategies. Social media and other technologies could be leveraged to map and enforce the above-mentioned network-constellations. Similarly, stakeholders and advisors of social ventures might benefit from a deeper understanding of how and when in the venture's development they can involve themselves best. I believe that the above-

sketched model provides social entrepreneurs with a toolset to approach challenges over their venture lifecycle, demarcating these areas in which social entrepreneurs can learn from entrepreneurs, and those were the paths appear different.

1.6 Limitations

This paper is by no means exhaustive; while I aimed to distil some of the relevant network- and lifecycle- elements, I admit that this selection was inescapably selective. For example, one could have involved elements such as average path length, or phenomena such as the small world phenomenon (c.f., Watts, 1999; Watts & Strogatz, 1998). However, I decided to focus on these elements that seemed most relevant to young social ventures, based on a thorough review of both entrepreneurship-/management- and network- literatures. Reducing the selection bias, I discussed the selection with academics from the domains of social entrepreneurship and social networks, as well as relevant practitioners. Moreover, while I recognize the important role of the respective cultural context (e.g., Chen et al., 1998; Xiao & Tsui, 2007), this paper focuses on a parsimonious model of social venture development (based on the available literature). As a next step, more contextualized models could be developed and tested, particularly with respect to informal economies (e.g., Meagher, 2005), and the next chapters will take these caveats into account. Indeed, there is good reason to expect that the role of brokerage and structural holes might be different across contexts (e.g., Xiao & Tsui, 2007), which could lead to exciting new findings with respect to (social) venture development.

Furthermore, as it has been touched upon above, the ultimate success of a social venture arguably can best be measured by maximizing the social value proposition/impact, rather than the size/scope of the organization (Austin et al., 2006). For reasons of parsimony, this paper has treated organizational growth and impact growth as related, an assumption that will be discussed in further chapters. Moreover, while in this paper I focused on social networks/capital as way to improve organizational performance/impact (i.e., as 'independent variable'), arguably social capital in itself can be an important developmental outcome (e.g., Narayan & Woolcock, 1998; Woolcock, 1998). Thus, in the last chapter, I will focus on social capital as relevant outcome, rather than antecedent.

Moreover, as I focused the paper on a synthesis of the literature and a typology, in order to not limit the discussion, I did not focus on deriving a small number of hypotheses, but rather derived insights within the text; this frame could be used to derive a number of testable hypotheses, and sensitize both qualitative and quantitative research.

Also, this research focused on positive correlations over the organizational lifecycle; the framework is supposed to link network development to venture success. While this does not explicitly focus on the failure component, I implicitly assume that those ventures that do not follow this trajectory are more probable to fail than others, or did not aim to grow in the first place. I have to admit, however, that there might be more than one/this trajectory for success, even though it can be assumed that using this trajectory over another increases the likelihood of success (c.f., e.g., Marmer & Herrmann, 2012). The next chapter will focus on both success- and failure-/turnaround- cases, and include a discussion on 'decline'. Finally, I acknowledge that there are various other important factors that determine the efficacy of network and venture development, and ultimately performance, such as the education of the entrepreneur, their skill-set, the industry, among others. Peng & Luo (2000), for example, showed that social capital has a higher impact on performance in smaller firms and in service industries (rather than manufacturing). However, for the sake of parsimony, transferability, and generalizability, I decided to focus on the above-mentioned factors, as these were concluded to be the most relevant ones after a thorough literature review and discussions with both scholars and practitioners.

1.7 Further research

This paper has synthesized different approaches from social networks and management theories; follow-up papers could use this typology as sensitizing framework to explore the dynamic relationships. Especially qualitative approaches could be used to generate and develop the theoretical model (Flick, 2009). Research about the processes and mechanisms that allow some but not other (social) entrepreneurs to leverage social networks are direly needed (Schulze, 2007; Stuart & Sorenson, 2007). Longitudinal studies might clarify these network developments and their performance-effects over time; indeed, the theoretical development could be accelerated via integrating a more dynamic view.

In this vein, Hoang & Antoncic (2003:183) make a plea for more qualitative, inductive research, and to integrate process-and outcome research. I agree with Dacin et al. (2010) that the most interesting opportunities for further research lie in a more sophisticated understanding of social enterprises and their respective context, over time. Indeed, looking at the development of social enterprises over a timeline, and from a 'process-perspective', might elucidate the above-mentioned patterns, particularly also if contrasted with commercial ventures. For example, an exploratory study design could shed light on the underlying processes in order to capture the dynamics of the social network elements

(Stuart & Sorenson, 2007). This could provide exciting new insights into the evolution and management of (non-traditional) social networks and their performance implications. Thereby, comparative case studies identifying patterns, rather than idiosyncrasies, are direly needed; Alvord et al.'s (2004) Journal of Applied Psychology's paper, which compared seven cases of successful social entrepreneurs, provided a good starting point; from there, a next step could be to include failure cases (see Stevens et al. 2010 for a single case study on failure). Including failure-cases would allow elucidating the patterns that might distinguish successful from unsuccessful social entrepreneurs.

Furthermore, authors have long argued that expanding (network-) studies to non-traditional (i.e., non-Western) settings in order to increase generalizability and gain new insights for theory-building is direly needed (e.g. Dees et al., 2004). The apparent lack of network-studies in developing countries would make these a rewarding empirical setting. Particularly in dynamic contexts, such as at the Base of the Pyramid in informal economies, this might prove fruitful: experimentation with new business models is triggered there, as mental maps of the local context have yet to be developed, and unlearning is not necessary (Chesbrough et al., 2006; Simanis & Hart, 2008).

Additionally, this theoretical framework could be used to inform quantitative studies, in order to derive testable propositions for larger samples. For example, one might want to examine the growth patterns of social entrepreneurs in different emerging markets.

Last but not least, while I have focused on the role of time as context, further studies could examine the different conditions and configurations under which particular ties are enhancing (social) venture performance (Burger & Buskens, 2009; Busch, 2014; Stam & Elfring, 2008; Wu, 2008).

In order to close some of these gaps in the literature, the next chapters, theoretically sensitized by some of the approaches discussed above, will focus on the dynamic development of social networks/social capital in a resource-constrained context, comparing success- and failure- cases in order to understand underlying mechanisms and patterns.

1.8 Conclusion

By introducing network- and entrepreneurship- approaches into the social entrepreneurship literature, I built a comprehensive model of social venture network development, related to

venture success/impact. This model can be used as a sensitizing theoretical framework for further research on social entrepreneurship and social networks.

Acknowledgements

Chapter 2: How and why do social entrepreneurs in low-income contexts build up and leverage networks to perform? A comparative study of social ventures in Kenya.

2.1 Introduction

Over the last years, the relationship between social networks/social capital and organizational development and/or performance has been of increasing interest to scholars across the management discipline (e.g., Adler & Kwon, 2002; Khayesi & George, 2011; Kotha & George, 2012; Maurer & Ebers, 2006; Pennings et al., 1998; Zucker et al., 1998). Thereby, social capital has been understood as "the sum of the actual and potential resources embedded within, available through, and derived from the network and the assets that may be mobilized through that network." (Nahapiet & Ghoshal, 1998: 243). It thus draws from the actors' position in a social network and the content of their relationships (Gabbay & Leenders, 1999). It can be differentiated into three dimensions, namely structural (type of tie/network), relational (content of the relationship), and cognitive (shared identity) (Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998). Social capital, its antecedents and effects have been analyzed at various levels of analysis (Maurer & Ebers, 2006): on the inter-organizational- (e.g., Chung et al., 2000), the organizational- (e.g., Pennings & Lee, 1999), the group- (e.g., Burt et al., 2000), and the individual- (e.g., Burt, 1997) level. Thereby, recent papers devised the organization's social capital as being the aggregate of individual organization members' social capital (e.g., Maurer & Ebers, 2006; Pennings et al., 1998; Tsai & Ghoshal, 1998), as it has been shown that early stage entrepreneurs usually bring in their individual social capital to gain access to necessary resources (Hite & Hesterly, 2001; Larson & Starr, 1993), and that social capital on the individual level can have effects on organizational social capital (Geletkanycz & Hambrick, 1997; Maurer & Ebers, 2006; Shane & Stuart, 2002).

It has been shown that social capital can provide coordination advantages (e.g., Coleman, 1990; Uzzi, 1997), learning benefits (Powell at al., 1996), and power and control (Burt, 1992;

1997). The potential negative sides of social capital have been explored as well; for example, network closure and cohesive contacts can trigger cognitive and relational lock-in (Gargiulo & Benassi, 1999), leading to a potential inability to adapt to changing circumstances (Uzzi, 1997). A major stream of network theory focusing on **structural holes** (Burt 1992; 1997; 2000; 2005) has shown that individuals connecting two or more not previously connected actors (who thus have a 'structural hole' between each other) have higher social capital than individuals that do not engage in 'brokerage'. However, recent papers have highlighted the importance of extending the boundaries of network/social capital theory in general and structural holes theory in particular, to better understand the **conditions** under which brokerage benefits apply (e.g., Ibarra & Smith-Lovin, 1997; Podolny & Baron, 1997; Soda et al., 2004; Xiao & Tsui, 2007). And indeed, recent research has shifted the focus on the contingencies under which social networks/capital can be (in-) effective; for example, prevailing culture (e.g., Xiao & Tsui, 2007), task characteristics (e.g., Hansen et al., 2001), and temporal effects (e.g., Maurer & Ebers, 2006). However, while these findings greatly extended the boundaries of network theory, it has been highlighted that **future research needs to extend the theory of structural holes to *inter-organizational contexts* in collectivistic cultures**, to better understand the conditions under which brokerage benefits can be realized (e.g., Xiao & Tsui, 2007). Furthermore, while extant research has shown the positive (e.g., Maurer et al, 2006; Nahapiet & Ghoshal, 1998) and negative effects (Adler & Kwon, 2002) of social capital on resource mobilization and ultimately performance, **it has been highlighted that there is a lack of studies going beyond how actors connect, to which resources they actually access, under which conditions, and at which point in time** (Chiesi, 2007; Hoang & Antoncic, 2003; Maurer & Ebers, 2006; Sullivan & Ford, 2013).

Resource-constrained environments in Africa/Kenya are an interesting setting to analyze questions related to these gaps, as the underdevelopment of effective/efficient ecosystems (c.f., e.g., Karnani, 2007; Seelos & Mair, 2007) potentially opens up vast opportunities for social entrepreneurs to creatively manage networks in order to create social impact, changing the boundary conditions of our approaches (e.g., Khayesi & George, 2011; Xiao & Tsai, 2007), and potentially informing entrepreneurs, multinationals, and policymakers on how sustainable models can be developed. Social entrepreneurs/enterprises often show a high bridging capacity to include a variety of traditional and non-traditional stakeholders, mobilising external resources to tackle social issues (Alvord et al., 2004; Dacin et al., 2011; Mair & Marti, 2006; Perrini & Vurro, 2006), and are thus an interesting type of enterprise to look at. Following the understanding in the extant literature, I demarcate social entrepreneurship as "entrepreneurial activity with an embedded social purpose [with the] underlying drive…to create social value" (Austin et al., 2006: 1f). By de-centering economic

motivations, social entrepreneurs thus put an emphasis and focus on the quality of life of the disadvantaged, while often deeply embedded in local communities to be able to develop a need-based social value proposition (SVP) (Peredo & Chrisman, 2006; Yujuico, 2008). This active engagement in communities and networks, integrating the poor as both producers and consumers, has been shown to offset the absence of formal institutional support and capital in resource-constrained settings (Simanis & Hart, 2008). However, despite recent fruitful research (e.g., Meagher, 2005; Wheeler et al., 2005), the drivers and conditions of successful development of impact and inclusive growth are under-researched (Dacin et al., 2011), particularly in the African context (George et al., 2012). Network theory provides an interesting theoretical lens to explore this challenge, allowing examining the relationships between actors and the resources they exchange (Kilduff & Brass, 2010). The few fruitful papers introducing social network/capital approaches into the African context were devised by development scholars and anthropologists (e.g., Meagher, 2005), as well as management scholars (e.g., Acquaah, 2007). Acquaah (2007), for example, introducing social capital approaches into the Ghanaian context, found that the influence of social capital on firm performance is contingent upon the strategic orientation of the organisation. However, despite these advances, network theory has been criticised for neglecting individual agency, and for disregarding changes over time (Kilduff & Brass, 2010). Especially the question of how successful (social) entrepreneurs manage their networks (over time) to increase impact (i.e., 'performance', c.f., below) has been identified as substantial research gap (Montgomery et al., 2012). Thus, my research question was: **How and why do social entrepreneurs in resource-constrained environments build up and leverage global networks to perform?** Which ties are most relevant in the different life-stages of a social venture in this context, and how and why? Filling the above-mentioned gaps in the literature, and theoretically sensitized by social network/capital theories, I took a dynamic view at the network-development of social enterprises in the Kenyan context, and analyzed the mechanisms and conditions that facilitated social venture growth/impact. My findings show how the **dynamic interaction of social network elements**, and the constant pro-active re-arrangement of ties over the lifecycle (or, the lack thereof), related to success and failure; thus, going beyond the question of *how* actors connect (e.g., Maurer & Ebers, 2006), to which resources they actually access (and when, why, and how). The study also clarifies **key contingencies surrounding social network dynamics, as well as key mechanisms that facilitate these network dynamics and enable social ventures to perform.** I identified one major organizational ability ('orchestrability') and four key mechanisms that the successful entrepreneurs employed to tackle the conditions/challenges related to scaling up via networks, thus painting a more holistic picture of network dynamics related to (social) enterprise growth. The longitudinal approach in a new context allowed expanding the

boundary conditions of social network/capital theory, and clarified the conditions under which social networks and brokerage can work in collective cultures.

In the following, I will first discuss the theoretical lenses that I used to sensitize my study, drawing from the social networks-/social capital-, as well as the social enterprise- literature. This will be followed by a description of the methods I used for data collection and analysis, progressing towards the findings, a discussion, and suggestions for further research.

2. 2 Theoretical background/literature/gaps

2.2.1 Social networks/capital literature

Social capital has been **understood as** "the sum of the actual and potential resources embedded within, available through, and derived from the network and the assets that may be mobilized through that network" (Nahapiet & Ghoshal, 1998: 243). It thus draws from the actors' position in a social network and the content of their relationships (Gabbay & Leenders, 1999). Social capital can be separated into three dimensions, namely structural, relational, and cognitive (e.g., Ansari et al., 2012; Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998). The **structural dimension** focuses on the 'type of ties'; the **relational dimension** on the 'content' of the relationship/tie, i.e., the assets, information etc. that are exchanged; and the **cognitive dimension** on shared identity, including shared meaning, interpretations, and representations such as norms, culture, and language. Previous research has documented the relevance of these dimensions in order to capture the value and importance of social capital (e.g., Blumberg et al., 2012; Maurer & Ebers, 2006). Concerning the structural dimension, Steier & Greenwood (2000) contended that the likelihood of entrepreneurial organizations to succeed is higher if the structure of their network is comprised by ties that are diverse rather than uniform, extensive instead of limited, and close rather than at arm's length. Walker et al. (1997) showed that the existing ties of an organization influence the frequency with which organizations start novel relationships, and Powell et al. (1996) showed that the centrality of a firm in the network and the diversity and number of its ties have a positive effect on organizational growth. Regarding the relational dimension, Larson (1992) highlighted the relevance of trust and norms in order to effectively leverage partners' resources. Last but not least, regarding the cognitive dimension, it has been shown that shared orientations and interpretations enhance knowledge sharing (e.g., Boland & Takasi, 1995), which has positive effects on organizational innovation and learning (Tsai & Ghoshal, 1998; Yli-Renko et al., 2001); furthermore, it has been shown that familiarity with partners facilitates cooperation (Gulati,

1995). Social capital, its antecedents and effects have been analyzed at different levels of analysis: inter-organizational- (e.g., Chung et al., 2000), organizational- (e.g., Pennings & Lee, 1999, group- (e.g., Burt et al., 2000), and individual- (e.g., Burt, 1997) levels. While this study focuses primarily on the organizational level of analysis in order to explore the relationship between social networks/capital and social venture performance, I follow the extant literature (e.g., Maurer & Ebers, 2006; Pennings et al., 1998; Tsai & Ghoshal, 1998) and understand the organization's social capital as being the aggregate of individual organization members' social capital. This is due to the fact that it has been shown that early stage entrepreneurs usually bring in their individual social capital to gain access to necessary resources (Hite & Hesterly, 2001; Larson & Starr, 1993), and that social capital on the individual level can have effects on organizational social capital (Geletkanycz & Hambrick, 1997; Maurer & Ebers, 2006; Shane & Stuart, 2002).

Thereby, the relationship between social networks/social capital and organizational development and/or performance is well-documented (e.g., Adler & Kwon, 2002; Khayesi & George, 2011; Kotha & George, 2012; Maurer & Ebers, 2006; Pennings et al., 1998; Zucker et al., 1998). It has been shown that social capital provides coordination advantages (e.g., Coleman, 1990; Uzzi, 1997), learning benefits (Powell at al., 1996), and power and control (Burt, 1992; 1997). The potential negative sides of social networks/social capital have been covered as well; for example, network closure and cohesive contacts can trigger cognitive and relational lock-in (Gargiulo & Benassi, 1999), leading to potential inability to adapt to changing circumstances (Uzzi, 1997). Recent research has shifted the focus on the contingencies under which social networks/capital can be (in-) effective; for example, prevailing culture (e.g., Xiao & Tsui, 2007) and task characteristics (e.g., Hansen et al., 2001). Most studies in networks and social capital have been 'static', and only few studies have looked into the temporal dynamics of social networks/capital, and potential performance implications (e.g., Maurer & Ebers, 2006). The life cycle approach has been identified as useful for framing the processes of firm evolution and growth over time; each stage thereby is seen as a proxy for strategic issues, e.g., resource acquisition challenges, asset stocks, goals, and resource needs, and therefore goes beyond mere changes in time (Maurer & Ebers, 2006). As networks enable access to essential resources, I contend that networks (have to) change from one organizational growth stage to the next due to changing resource needs and different task-requirements. The different stages hold dissimilar comparative advantages when it comes to the challenges of access, availability, and uncertainty (Hite & Hesterly, 2001), and thus a dynamic approach is needed (Light, 2008; Maurer & Ebers, 2006), potentially implying different types of networks at different stages to be successful. For example, looking at early stage biotechnology start-ups over two 'lifecycle stages', Maurer &

Ebers (2006) showed that organizations can gain performance benefits when members adapt their social capital (and the respective dimensions) to changes in resource needs, while organizational inertia can turn an organization's social capital into a liability. Horizontal and vertical differentiation/integration of relationships triggers social capital dynamics, potentially leading to increased adaptive capacity and performance. The authors show that in early stages cohesion and closure were prevailing, while the more successful companies in the later stage connected more effectively with a more diverse set of partners in order to gain access to resources and information, while keeping relevant close ties intact; thus, combining the benefits of strong ties with the benefits of range. Thus, a dynamic perspective proves important, as organizations face different resource requirements, demands, and challenges at different points in their development (e.g., Ebers, 1999; Kazanjian, 1988). Whether or not a firm is capable of accommodating these shifting demands by adjusting its social networks/capital over time thus has important performance implications (Hite & Hesterly, 2001; Maurer & Ebers, 2006).

A stream of network theory focusing on **structural holes** (Burt 1992, 1997, 2000, 2005) has shown that individuals connecting two or more not previously connected actors (who thus have a 'structural hole' between each other) has higher social capital than an individual that is not in such a position of 'brokering'. These gains come in two ways, namely control and information gains. Control gains evolve from the fact that those actors that bring together two previously unconnected individuals (i.e., bridging a structural hole) can decide whose interests to cater to with these opportunities. Information gains, in turn, are triggered by the fact that the 'broker' has access to broader non-redundant information, and thus, more opportunities (Burt, 1992, 2000). However, recent papers have highlighted the importance of extending the boundaries of structural holes theory, to better understand the conditions under which brokerage benefits apply (e.g., Ibarra & Smith-Lovin, 1997; Podolny & Baron, 1997; Soda et al., 2004; Xiao & Tsui, 2007). For example, it has been found that benefits arise in resource-, but not in identity- networks (e.g., Ibarra & Lovin-Smith); that time-dimensions need to be taken into account (e.g., Soda et al., 2004); and that national and organizational culture plays a major role (e.g., Xiao & Tsai, 2007). While most literature on social capital/networks has focused on Western settings, Xiao & Tsui (2007) in a recent study showed that in more collectivistic cultures (here: China), control and information benefits via structural holes might not be materializable due to pertaining communal values and the dominating spirit of cooperation (especially in high-commitment organizations). Their study found that the more collectivistic and clan-like an organization, the more detrimental is brokerage not only at an organizational level, but also with respect to the individual's career achievements. Rather, 'integrators' (those having large and relatively dense ego-centred

networks) who fill structural holes by bringing people together, enjoy career benefits, as the 'individualistic approach' of brokers contradicts collectivistic attributes (e.g., by putting priority on individual goals, and "starting from the premise of an independent self" (Xiao & Tsui, 2007: 3)). Furthermore, "people who stay at the boundaries of two in-groups [i.e., spanning structural holes] tend to be distrusted by both groups" (Xiao & Tsui, 2007: 5). Thus, in collectivistic cultures/high-commitment organizations, dense networks and network closure (Coleman, 1988, 1990) and not structural holes might be crucial for individual and organizational performance (Xiao & Tsui, 2007). However, as Xiao & Tsui (2007) admit, there is a strong limitation to their study: as it is focused on intra-organizational networks, the effects of inter-organizational ties have not been considered. Particularly with respect to senior managers, "the large number of structural holes in their networks among these external contacts should have a positive instrumental for the success of their organizations" (Xiao & Tsui, 2007: 26).

Thus, while these findings greatly extended the boundaries of network theory, it has been highlighted that **future research needs to extend the theory of structural holes to *inter-organizational contexts* in collectivistic cultures**, to better understand the conditions under which brokerage benefits can be realized (e.g., Xiao & Tsui, 2007). Furthermore, while extant research has shown the positive (e.g., Maurer et al, 2006; Nahapiet & Ghoshal, 1998) and negative effects (Adler & Kwon, 2002) of social capital on resource mobilization and ultimately performance, **it has been highlighted that there is a lack of studies going beyond how actors connect, to which resources they actually access, and at which point in time** (Chiesi, 2007; Hoang & Antoncic, 2003; Maurer & Ebers, 2006; Sullivan & Ford, 2013). I introduce a 'dynamic view' of social networks in relation to the social enterprise life cycle, allowing specifying the exact **network changes and conditions that enable access and leverage of resources.** Using this approach also allows for disaggregating the different types of ties/their respective content, their effect on performance, and **surrounding conditions.**

2.2.2 (Social) entrepreneurship in developing countries/at the Base of the Pyramid (BoP)

Following the understanding in the extant literature, I demarcate social entrepreneurship as "entrepreneurial activity with an embedded social purpose [with the] underlying drive…to create social value" (Austin et al., 2006: 1f). While scholars tend to regard social entrepreneurship as the process of socially driven organizations using business principles to reach their goals (e.g., Austin et al., 2006; Mair & Marti, 2006), social enterprises have been regarded as the tangible outcomes of this process, namely financially stable organizations that generate social value (Mair & Marti, 2006; Robinson, 2006). Social enterprise

'performance' is related to social and financial value creation, or, interchangeably, 'impact'. Depending on the respective organization, 'performance' can be conceptualized and measured regarding both outcomes and outputs; for example in terms of the improvement of individuals' well-being, amount of beneficiaries helped, local capacity built, number of projects taken over by other actors, among others (Uvin et al., 2000). This understanding goes beyond financial sustainability, and focuses on the real effects social entrepreneurs' activities have on the people they serve. It is based on the respective venture's theory of change, from which it derives its social value proposition (SVP) (Austin et al., 2006; Gill, 2010). By de-centering economic motivations, social entrepreneurs thus put an emphasis and focus on the quality of life of the disadvantaged, while often deeply embedded in local communities to be able to develop a need-based SVP (Peredo & Chrisman, 2006; Yujuico, 2008). This active engagement in communities and networks, integrating the poor as both producers and consumers, has been shown to offset the absence of formal institutional support and capital at the 'Base/bottom of the Pyramid' (BoP), the approximately four billion people around the world that live in considerable poverty and face substantial socio-economic challenges (Hammond et al., 2007; Simanis & Hart, 2008). Over the last years, it has become increasingly clear that no single organization can tackle these substantial challenges on its own; rather, the mobilisation of others' resources has been regarded essential (Montgomery et al., 2012). Social entrepreneurs often show a high bridging capacity to include a variety of stakeholders, mobilizing external resources to tackle social issues and create social impact (Busch, 2014).

Therefore, the underdevelopment of effective/efficient ecosystems at the BoP potentially opens up vast opportunities for social entrepreneurs to creatively manage networks in order to create and scale social impact, and to inform entrepreneurs, multinationals, and policymakers on how sustainable models can be developed. However, despite recent fruitful research (e.g., Barkema et al., 2013; Meagher, 2005; Wheeler et al., 2005), the drivers and conditions of successful scaling of impact and inclusive growth are under-researched (Dacin et al., 2011), particularly in the African context (George et al., 2012). Network theory provides an interesting theoretical lens to explore this challenge, allowing examining the relationships between actors and the resources they exchange (Kilduff & Brass, 2010). The few yet fruitful papers introducing social network/capital approaches into the African context were devised by development scholars and anthropologists (e.g., Meagher, 2005), as well as management scholars (e.g., Acquaah, 2007). Acquaah (2007), for example, introducing social capital approaches into the Ghanaian context, found that the influence of social capital on firm performance is contingent upon the strategic orientation of the organisation. However, despite these advances, network theory has been criticised for

neglecting individual agency, and for disregarding changes over time (Kilduff & Brass, 2010). Especially the question of how successful (social) entrepreneurs manage their networks (over time) to increase impact has been identified as substantial research gap (Montgomery et al., 2012). Furthermore, there is surprisingly little substantiated research about the potential of how social enterprises can increase their impact and reduce poverty. Anecdotal studies abound, and the existing BoP-research has mostly focused on value creation for companies (e.g., London, 2009). Filling these gaps, theoretically sensitized by social network/capital theories, I will take a dynamic view at the network-development of social enterprises in the Kenyan context, and analyze the mechanisms and conditions that facilitate social venture growth/impact.

2.3 Methods

Given the very limited theoretical and empirical indications in the social networks literature on how social ventures dynamically develop their networks - even more so in non-Western, resource-constrained environments - I used an inductive theory building approach with a multiple case study design (Eisenhardt, 1989). The multiple case study design allows for building more generalizable, parsimonious, and robust theory than a single case study design (Eisenhardt & Graebner, 2007). I conducted 6 longitudinal case studies of Kenyan social ventures, selected on the grounds of a theoretical sampling procedure (Eisenhardt, 1989). This explorative study design allowed to generate new theoretical insights and to broaden existing findings (Langley, 1999); it is particularly useful to study processes, which seemed particularly relevant given my interest in capturing social network dynamics over time.

The **focus of this study is on the primary actors** responsible for developing significant *external networks* of a social venture – usually the active founders and key executives such as CEO and Chief Strategy Officer (CSO). This follows extant research on entrepreneurial tie formation (e.g., Katila et al., 2008; Ozcan & Eisenhardt, 2008). Interviews with other stakeholders, including funders and experts, as well as internal and external documents and observations, triangulated these. Thereby, I understand '**relevant networks**' as those ties that allow the organization to get access to resources critical to their respective operations, survival, and growth. Following Nahapiet & Ghoshal (1998), I **conceptualize 'social capital'** as "the sum of the actual and potential resources embedded within, available through, and derived from the network and the assets that may be mobilized through that network" (ibd.: 243). These assets are rooted in the relational, cognitive, and structural content of actors' ties with other actors (Nahapiet & Ghoshal 1998). Adapting these networks/ties is

important, as resource needs (and the networks needed for these) change over time (Ebers & Maurer, 2006; Light, 2008). As social ventures vary in their performance and as there is a clear link between network efficacy and performance (Busch, 2014; Light, 2008), there is likely variation in how networks are formed differently. Indeed, as resource needs changed over time, I was able to track within-firm (and across-firm) variation regarding tie formation and development.

Country and industry context

Many of the ideas that underlie social network theory, such as cohesion, legitimacy, reputation, and trust are deeply rooted in the venture's host culture (Parkhe et al., 2006). This paper follows recent calls for a more serious treatment of organizational and cultural context in organizational studies (e.g., Bamberger & Pratt, 2010; Xiao & Tsui, 2007), and recognizes the importance of the country- specific environment on the evolution and performance of networks. Previous empirical research has mainly focused on North American and European contexts, which is limiting the generalizability of network- and management-/entrepreneurship- theories. While emerging economies in South-East Asia have attracted major attention recently (e.g., Barkema et al., 2013; Xiao & Tsui, 2007), countries in Africa have been neglected (George et al., 2012). Special editions on emerging countries, for example of the Journal of Management Studies (Wright et al., 2005), did not integrate even one paper on this region, and only very recently pioneering studies put into spotlight African countries (e.g., Acquaah, 2007; George et al., 2012). While several contextual characteristics such as less developed markets and institutions might be similar, others such as culture, norms, and values might be quite different (e.g., Khayesi & George, 2011). This urges the inclusion of other emerging countries into the social networks discussion, which have been neglected, especially in (East) Africa. Thereby, for a number of reasons social enterprise in Africa's/Kenya's low-income context appeared like a fruitful empirical context. Environmental, social and governance issues, coupled with challenges related to security, language, weak institutions, and politics, have limited the possibilities available to collect data, and thus, over the last decade, only a very small number of papers using African data were published in top journals (Kolk & Rivera-Santos, 2013). Yet, particularly these characteristics (weak institutional environment, cultural diversity, among others) make it a fertile ground for researching (social) enterprises and networks (e.g., Bruton et al., 2008; Hayton et al., 2002; Khayesi & George, 2011). Furthermore, **Kenya** has been at the forefront of innovative (inclusive) business solutions in developing countries (UNDP, 2013), and the high levels of uncertainty, e.g., due to weak institutional frameworks and enforcement, make Kenya's low income context an interesting setting to explore the relationship between social capital/networks and performance. While the study's context

could be described as 'Base of the Pyramid' (Hammond et al., 2007; Prahalad, 2004), I will in the following refer interchangeably to '**resource constrained environments' and 'low income context'**. Given the purpose of the study, including the quest for exploring network dynamics over time, I followed recent calls to not use cross-sectional data for studies that involve change or causal association, but to rather focus on a **single industry**, namely **farming/agriculture**, which allowed for a more valid comparison of ventures (e.g., Hallen & Eisenhardt, 2008). The farming sector as most relevant sector (2/3 of Kenyans directly or indirectly affected) and key area of growth/development attracts many pioneering social entrepreneurs, potentially increasing experimentation and variety/variation (World Bank, 2001; UNDP, 2013). Indeed, for the purpose of my study agriculture is particularly relevant, given that this industry "demonstrates the greatest potential for low-income people…as consumers, producers, entrepreneurs and employees" (UNDP: 27).

Following the theory-building nature of this paper, and the aim of building generalizable and accurate theory, I used **theoretical/purposive sampling[6]** to select the organizations in question (Eisenhardt, 1989; Flick, 2009). In contrast to the random sampling approach used for deductive research's statistical analysis, theoretical sampling on purpose is non-random, and sample bias is considered not germane (Hallen & Eisenhardt, 2012). Rather, each case is chosen for reasons of theory-building; i.e., to fill theoretical categories that enhance generalizability and illuminate the phenomenon at hand (Eisenhardt, 1989). My sample **consisted** of **six social agri-ventures** with their main operations in Kenya. I tracked their attempts of developing networks from **their inception through to mid-2013**. Four of the ventures were initiated after 2007; two less successful ones, and two successful ones (see below). In order to increase the generalizability and richness of the study, I also included two 'older' cases (initiated in 2000 and 1997, respectively), that could be described as 'turnaround' cases; i.e., while both were ultimately 'successful', they showed considerable changes in performance over time, and thus contributed to a much more nuanced understanding of network dynamics.

In a first step, **six experts** from two major social enterprise funders, an East African social entrepreneurship network, two relevant social enterprises, and a local academic institution

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[6] Given that the 'purpose' is theoretically motivated, following the extant literature I use the terms purposive and theoretical sampling interchangeably. There are important logical differences in the sampling procedure for theory-testing (deductive) research vs (inductive) theory-building research. First, while theory-testing research tends to rely on random sampling from a population, theory-building research relies on theoretical sampling. That is, each case is selected on a non-random basis for the presence of the actual phenomenon and its potential to enhance theoretical generalizability (Hallen & Eisenhardt, 2012). Furthermore, while theory-testing research goes from theory to data (often via hypotheses, propositions), theory-building research (including this paper) goes from data to theory (here in an iterative process) to build generalizable theory. Finally, in contrast to using a pooled sample as one experiment (as in theory-testing research), the theory-building approach uses replication logic, i.e., each case serves as a single experiment (Hallen & Eisenhardt, 2012; Yin, 1984).

shared their insights (e.g., regarding 'success criteria') with me, and recommended ventures in the farming industry that seemed to be most relevant (cases that were very successful; cases that were less successful; successful cases that showed interesting performance changes over time). This variety of experts, as well as additional networks, allowed me to tap into a broader set of potential ventures, and to clearly demarcate my core constructs and operationalizations in this context, as well as to gain insights into the individual ventures. Thereby, at the outset, defining **performance measures** (and thus **'successful' vs. 'less successful'**) for social ventures was a challenge. Given the early stage and the social focus of these ventures, usual accounting measures seemed inappropriate. In order to capture its multidimensional nature while keeping parsimony and taking into account the difficult access to reliable performance data, based on the extant literature and my discussions with industry experts I decided to use a simple yet effective two-dimensional **conceptualization of performance**: financial subsistence coupled with a measurable and relevant 'social impact' (all ventures also fulfilled the notion of 'institutional legitimacy', i.e., compliance with laws and major norms; c.f., Bagnoli & Megali, 2009). **Financial survival** I **operationalized** as the parsimonious survival-measure used in the business venture literature (e.g., Baum & Oliver, 1991; Pennings et al., 1998). **Social impact** I operationalized as the amount of people of the core target group[7] (here: farmers/households) that directly benefitted from the respective social enterprise; namely, if they had a relevant positive effect on the productivity (and thus income) of their main beneficiaries, i.e., farmers/households. Thus, in order to not fall into a 'naïve realism' trap (that would assume that complex outcomes can be easily attributed to a specific organization), I followed the recommendations in both the extant performance measurement literature (e.g., Paton, 2003) and practitioners (e.g., Ebrahim, 2013) to not focus on hard-to-measure outcomes, but rather on concrete outputs that can reasonably be expected to have a correlation with positive outcomes. Given the lack of publicly available data and to still be able to make valid claims, I restricted the performance measures to those that were possible to be obtained. I used both 'objective' data from public sources (e.g., Acumen, Ashoka), internal reports, as well as subjective data obtained from the expert interviews, discussions with stakeholders (e.g., farmers and funders), and the respective social entrepreneurs (see Acquaah, 2007 for justification). From 26 initially recommended ventures that were regarded as 'successful' or 'not successful', I then screened the projects based on the criteria discussed in the following. In order to generate deeper insights into how the evolution, characteristics and use of networks relate to social

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[7] Social enterprises usually target a variety of stakeholders, and use multidimensional performance measures (e.g., Bagnoli, L., & Megali, C. 2009); in order to demarcate clearly between 'performance' and 'social capital', I decided to focus on the impact on the core target group (as defined by the mission and approaches) and employees, and to regard other stakeholders that potentially (indirectly) benefit (e.g., hive technicians, middlemen, etc. as part of 'social capital', rather than 'performance').

venture performance, I selected the cases to be as similar as possible in as many respects as possible (i.e., operating under similar conditions), but with high performance variety (Flick, 2009). Taking into account literature that suggests the importance of certain key variables to affect the relationship between social networks/capital and relevant outcomes (e.g., Lerner et al., 1997; Yli-Renko et al., 2001), I selected cases located in the same country/regulatory frame (Kenya), the same sector (agriculture/farming), same nature (social enterprise/initiative), and based on similar organizational age. I selected initiatives and ventures whose initiative was conceived/documented since at least 1 year and for a maximum of 15 years (at the start of my study), to have the founding year in relevant distance to the data collection and to allow for network development/change to happen, yet recent enough to increase the likelihood of respondents to recall events accurately (Huber & Power, 1985). In this step, I eliminated ventures that were too young (<1 year) or too old (>15 years)[8], and those that showed signs of lacking trivial necessary conditions of tie formation, in this case at least three relevant visible ties with key stakeholders. I also controlled for direct access to (major) resources – none of the social ventures could draw on an overly asymmetric resource base (e.g., a strong holding company), thus the relevance of social capital for accessing (diverse) resources was relevant for all ventures. I also took into account the background of the founders/management team – all had an academic background (i.e., a similar level of education), often related to some aspects of the venture (e.g., finance, marketing). Because firms/initiatives were focused on major clusters (Nairobi and Kisumu), and because they were of similar age(s) and all founded after the major industry upheavals in the mid-90s, I was able to hold constant potential spatial or institutional contingencies that might have had an effect on the organizational development and success (Maurer & Ebers, 2006). 14 ventures remained that could be described as either 'successful, 'less successful', or 'turnaround' ('turnaround' cases in this study are success cases that at some point showed considerable performance changes).

Establishing a dialogue with the relevant protagonists at these ventures proved partly challenging, particularly given cultural and geographical hurdles. Also, as parts of the study interfered with harvesting season, many of the social entrepreneurs were skeptical about sacrificing their time. Thus, in order to recruit the desired amount of firms and to incentivize the core individuals, I used a variety of approaches. First, I asked for an introduction by a reputed person within a partner organization (e.g., Ashoka, Acumen Fund, EASEN) that had a trusted relationship with the respective organization. Second, if I received a positive

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[8] In order to avoid memory/recall bias, I triangulated interviews with internal and external documentations, and expert/outsider interviews (e.g., early stage partners/funders). Also, during the interviews, I made explicit reference to key events (e.g., securing financing) in order to enable retrospective inspection ('criterion of specificity'; c.f. Merton & Kendall, 1946).

response, I followed up directly. If there was no response (as it initially was the case with most organizations), I asked a second person, if possible from another partner organization to introduce me again, in order to signal my embeddedness in the (local) social enterprise ecosystem. Several CEOs reacted on this second introduction, several of them declining due to time-constrains. **Eight organizations** (4 successes, 2 less successful, 2 turnarounds) that were generally interested remained. While given the challenging circumstances in Kenya as well as in the industry most CEOs were initially skeptical about engaging in an academic study, the argument of providing them with a trajectory of how to more effectively grow their organizations, as well as the offer to organize a workshop afterwards to disseminate the findings within their organization, convinced the skeptical ones. Furthermore, to establish trust and goodwill, I went for several coffees and drinks with the respective individuals and their colleagues, and got immersed in the local communities wherever possible. I also offered other incentives for the aftermath of the study, such as consulting on their business model, as well as introductions to partners. After the buy-in of the CEO or another senior person, contacting the other crucial individuals within the organization proved relatively straightforward; usually it included setting up a meeting on the spot or via email. While the process of establishing these relationships as well as the necessary goodwill took a considerable amount of time and nerves, the fit of the organizations for the desired research design, as well as the lack of similar comparative studies in this context, seemed to justify this effort. The selection was assisted by and discussed with experts from the above-mentioned organizations, as well as other social entrepreneurs and colleagues.

Based on these discussions, I dropped two organizations; one at second sight did not fulfill the criteria of 'success' (as they 'sold' to farmers, yet had no visible effect on their household income, and appeared to disempower rather to empower the respective beneficiaries), the second one seemed unreliable in their answer-patterns, and I expected that the communication with the team might break down at some point, which would have put the study at risk given the ambitious timeframe. The resulting sample of **six ventures** had high within-firm and across-firm variation, an indication of the different strategic actions of founders/core executives (and their outcomes); this variation further supported my goal of designing generalizable, accurate, and parsimonious theory (Eisenhardt, 1989). The six remaining ventures and their main features can be found in **Table 1**. In order to honor agreements of confidentiality, I can only give a rough overview of the characteristics and performance data of the social ventures. The evaluation followed the operationalization of social impact discussed above (i.e., increase in net income of beneficiaries), and was based on recommendations of sector experts. **'Successful'** case study firms (**'Agri-S1'** and **'Agri-S2'**) were financially subsistent and had a relevant social impact (i.e., increase in beneficiaries'

household income of over 10%, holding (labor) inputs constant) on at least 100 farmers in at least three different locations at the time of sampling[9], showed generally positive growth over time, and were broadly perceived by experts, stakeholders, and staff as 'successful'. **'Less successful'** initiatives (**'Agri-LS1'** and **'Agri-LS2'**) either went bankrupt ('non-survival'), or did not have a measurable relevant/'scaled' impact (less than 100 farmers with increased household income and/or operations in less than three locations), or both. They were perceived by experts, stakeholders, and founders as 'minimum/no impact'. Two ventures in our study experienced considerable shifts in performance ('turnarounds'; **'Agri-T1'** and **'Agri-T2'**), ultimately successful. The four ultimately successful ventures (success + turnaround)/their respective leaders were before or during my study recognized as either Ashoka-, Echoing Green-, or Unreasonable Institute- fellows, further illustrating their recognized lasting impact.

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[9] Consistent with the understanding of 'scaling up' in the development and management literatures (e.g., Uvin et al., 2000), in this paper I will demarcate it as the expansion of an organization's impact beyond the local level, using three locations as critical mass.

TABLE 1: CHARACTERISTICS OF THE SOCIAL VENTURES

	Agri-S1	Agri-S2	Agri-T1	Agri-T2	Agri-LS1	Agri-LS2
Description of venture	Providing fortified staple flours to reduce micronutrient malnutrition.	Providing farmers with fertilizer and related support.	Providing farmers with beehives and related support.	Producing market information for farmers.	Producing flours to reduce malnutrition.	Providing devices allowing to more effectively grow nutritional food.
Foundation	2010	2008	2000	1997	2007	2009
Observed stages*	1>2>3>4S	1>2>3	1>2>3>4D>4T/S	1>2>3>4D>4T/S	1>2>3	1>2
Activities and effects	Provides farmers with effective fertilizer and related support programs, leading to long-term income enhancement and flexibility.	Changed institutional dynamics by introduction of organic fertilizer; yields of participating farmers increase by up to 150%.	Changed market dynamics: New model of organizing and re-definition of the role of the farmer (no expertise and less time necessitated); increased long-term income for farmers.	Changed market dynamics: Better access to markets and increased bargaining power leads to higher income of farmers; farmers achieve around 15-30% higher prices on their produce.	Liquidated.	Provides technology to enable more effective plant growth; limited short- and long- term effects.
Assessment	Successful	Successful	Successful/turnaround	Successful/turnaround	Less successful	Less Successful

* Ideation stage =1; Proof of concept stage = 2; Early growth stage = 3; Sustained growth stage = 4S; Decline stage = 4D; Turnaround/sustained growth stage = 4T/S

2.3.1 Data Collection

The study covered the period from the organization's idea/conception until June 2013. The data collection took place from **April 2011 to June 2013.** In order to improve the degree of accuracy of the emergent theory, I employed **between-method triangulation** (Flick, 2009), following Yin's (1984) appeal for multiple sources of evidence. This included collecting data via interviews, site visits, observations of meetings, follow-up emails, Skype/phone calls, and archival data such as internal documents, corporate presentations, and other available information. Interviews with core team members, local observations, and analysis of documents were done in several rounds of interviews spanning the period of 26 months. A total of **48 interviews** were conducted in the case companies, as well as with surrounding experts and stakeholders (c.f., Appendix B). Given the new context and theory building nature of my study, the interview-questions were theoretically sensitized by network- and social entrepreneurship- literatures and problem-focused, yet loosely framed to allow new constructs and ideas to emerge. They were also semi-structured, which allowed me to frame the conversation while allowing openness to new ideas and concepts (Flick, 2009). This combination of question-answer sequences with narrative parts permitted **within-method triangulation** (see Flick, 2009).

In a **first step,** in addition to an initial context mapping using publicly available information, as discussed above I discussed with **six local experts**, social entrepreneurs, and investors to develop a better understanding of this new context. These discussions were focused on questions around the Kenyan context, the agriculture sector, relevant ventures in this sector, assumed success and failure patterns with regards to networks, among others. This allowed me to gain contextual information, while clarifying the dimensions and cases to be researched, and securing several introductions to databases and potential interviewees. The experience of this author in founding and growing a global social enterprise operating in different countries including Kenya added to the contextual understanding. In addition, two senior academics, one a qualitative methods specialist and a researcher in (social) enterprise gave me feedback on **the theory-sensitized topic guide**, which I adapted after the discussions with experts to be valid for interviews with the social entrepreneurs in question.

As a next step, I conducted 38 semi-structured interviews, usually lasting approximately 50-70 minutes (30-40 minutes for follow-up interviews), and conducted during several 2-4 weeks long trips to Kenya over a period of 26 months; in addition, I regularly checked in with the most relevant interviewees via Skype and email. I conducted interviews with the active founders, and the most senior staff (usually CEO, sometimes COO/Head of Strategy) involved

in high-level decisions. Details of these interviews, as well as example questions taken from the topic guide, can be found in Appendix B. The **topic guide** (c.f., Appendix A) included questions about the organizations' development over time, the access to external ties/networks, which resources were exchanged, the mechanisms and conditions at different points in time, and their assumed relationship with performance. With respect to enterprise growth, I for example asked respondents about which events and outcomes happened over time, and how the organization's resource needs and challenges changed. In order to capture the dynamics of social networks, I asked about which relationships, mechanisms, and conditions played a major role over time, and how these were related to performance. I asked which ties were most relevant at which point in time (and to satisfy which need/why). I also asked about the idiosyncrasies of the Kenyan low-income context, and how it compares to other contexts. In order to not impose my biases on the respondents, these interviews included open questions, with an increased structuring only later in the interview (criterion of non-direction, c.f., Flick, 2009). During the interviews, I made explicit reference to key events (e.g., securing financing) in order to enable retrospective inspection (criterion of specificity; c.f. Merton & Kendall, 1946). This also facilitated the subsequent second round of interviews, where I asked about changes with respect to critical events (e.g., closing of major partnership and its effects); this longitudinal set-up enabled me to observe several changes over time, e.g., the direct effects of 'devolution' (c.f., 'findings'). All respondents had a commendable level of English, so that no interpreter was needed, and I aimed to phrase questions and concepts in day-to-day-language.

In each organization, **I began with an 'entry interview'** with the person that was introduced as most relevant, usually the acting CEO or the/a founder. I then after the respective interview asked the CEO/founder to recommend me the people that would be most relevant to discuss with respect to the topic; these usually corresponded with the ones identified via experts and initial mapping via archival materials (incl. homepage, internal documents, newspaper reports), namely core founding team members as well as a small number of senior executives (often the founders themselves, as well as the Head of Strategy/Partnerships). I used the same questionnaire for these semi-structured interviews as I used with the CEO (c.f., Appendix A). My initial interviews with experts[10], as well as the cases, supported the view that these individuals were the primary actors managing and overseeing the relevant networks. Aligned with the logic of theoretical saturation, this deliberately limited the number of potential interviewees per case, and left out 'pseudo-interviews' that could have increased the total number of interviews, yet not added

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[10] These experts were selected based on their reputation in the field of social entrepreneurship and their experience in the Kenyan and farming context.

considerably to the quality of the insights[11]. Furthermore, in order to reach a decent level of reliability, I decided to not include some of the observations; for example, I did not use/count interviews with individuals who only recently joined the organization (less than 6 months) and thus had only a limited overview of the organization's history and tried to '(re-)construct' knowledge about events in the past in order to not lose face, and only used these discussions for additional ideas, not to substantiate my findings. I also used interviews with core funders to further triangulate the interviews. In order to ensure **procedural reliability** and to increase comparability of perspectives, I took handwritten field notes during the interview, and whenever possible the interviews were recorded and transcribed (Eisenhardt, 1989; Flick, 2009). In several cases I made the judgment call to prioritize open communications over recording if I felt that respondents would become 'marketing-driven' when a tape was on, or if they showed a high level of discomfort. In these cases, I took extended handwritten notes, focusing on the core ideas of the respondents. While this approach might lead to discrimination among events and trigger subjective impressions, in order to reach a certain 'quasi-objectivity', I separated impressions from observations by parentheses (for a justification, c.f., Flick, 2009). Furthermore, I directly added a 'reflective part' after the interview to note down my interpretations and insights. My previous training in pursuing interviews in a market research company supposedly increased the reliability/dependability with respect to the interview data (c.f., Flick, 2009). The follow-up interviews not only allowed for a longitudinal approach ("what happened (in terms of events, etc.) since we last spoke?'', but also to validate interviews and initial findings of the first batch of interviews.

I collected approximately 20-30 pages of archival data for each venture. Nevertheless, I approached the analysis of documents, including business plans, growth plans, emails, and publicly available information (e.g., newspaper articles) with caution; I applied the four criteria of authenticity (Flick, 2009), namely credibility (errors and distortions?), representativeness (typicality known?), authenticity (genuine evidence? primary or secondary document?), and meaning (evidence clear and comprehensible?). For example, I only used company materials if they contained factual information, rather than marketing material. The document corpus followed purposive sampling, that is, I focused on those documents that were available, while trying to secure comparability via standardized documents (e.g., growth plans). However, in contrast to business history approaches, which look at changes over time based on historic documentation (e.g., Cusumano and Selby,

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[11] I for example interviewed several farmers; while these were helpful to confirm the actual impact of the respective social ventures, the additional insights into network patterns were very limited and idiosyncratic; I therefore did not include them more comprehensively in the study.

1995), I encountered the challenge of insufficient archival information. The nature of the organizations, i.e., early stage and in a dynamic context, led to a lack of track records and documentation on the organizations' part. Thus, I treated these documents as means for contextualization and triangulation, rather than as 'information containers'.

I tackled **potential informant bias** in a number of ways. First, since all organizations engaged in network-development during the study, I blended retrospective accounts with real-time accounts of emerging and ongoing events/ties (Leonard-Barton, 1990). Second, I used semi-structured interviews with open-ended questions to quiz knowledgeable informants about relatively recent events – a practice supposed to enhance accuracy and limit recall bias (Koriat et al., 2013). Third, I avoided speculation and rather asked 'courtroom questions', focusing on factual accounts of what others were observed doing, or what one did (Hallen & Eisenhardt, 2012; Huber & Power, 1985). Fourth, as mentioned above, I triangulated data from a variety of sources. Finally, in order to increase accuracy (Hallen & Eisenhardt, 2012), via giving anonymity I aimed to encourage openness; the earnest interest of participants in the study's findings potentially further encouraged truthfulness.

2.3.2 Data Analysis

Following the multiple case study method (Eisenhardt, 1989), based on the interviews as well as archival data I composed case accounts of each of the six ventures, with a particular emphasis on the process patterns of time-ordered events and the related network relationships. This included the effects of specific relationship constellations, therewith facilitating an overview of the organizations' resource requirements, external relationships, and performance at different points over time. That is, a thick description of the respective case, which corresponds to the qualitative data analysis techniques put forth by Strauss & Corbin (1998) and Miles & Huberman (1994).

In order to develop a deeper understanding of the key issues in the field, to identify underlying social processes and core categories, and to be able to adequately interpret the data (Flick, 2009), I coded emerging themes related to the research question. This process was both data- and theory- driven, using existing literature to inform the coding process. In order to tackle the challenge of "the potential endlessness of options for coding and comparisons" (Flick, 2009: 317), I used sensitizing concepts from the extant literature (e.g., Nahapiet & Ghoshal, 1998) in order to imagine potential demarcations, without imposing them. Using the logic of theoretical saturation, I only ended the process of data interpretation once further coding was not expected to bring new knowledge (Strauss &

Corbin, 1990). This included coding documents that were deemed relevant to the respective cases. In order to facilitate the coding process, and to further validate the research by employing a transparent procedure, I used the qualitative analysis software NVivo9*, which due to its good integration of memos and indexing has been recommended by scholars in the field of qualitative methodology (e.g., Flick, 2009). I started with a (1) **within-case analysis**, and then moved to a **(2) between-case analysis**.

(1) For the **within-case analysis**, I aggregated interviews and data regarding the respective organization, and looked for emerging themes and constructs - succinct themes were emerging, and I coded these as 'nodes'. Key themes and constructs (particularly life cycle stages, network types), while theoretically sensitized, emerged from my informants in this first **within-case** analysis. These included rich descriptions of the respective resource needs in different stages, the ties that were employed (and changed), as well as core mechanisms and conditions. Given the unanimous understanding of the social entrepreneurs for 'stages' as the temporal demarcation, I first coded different stages. I demarcated life cycle stages based on the emerging data; by triggering answers related to temporal developments (e.g., 'if you look at your organization, how did it develop over time'?), the stages emerged from the self-reports of the social entrepreneurs, and largely corresponded to the stages reported in the 'Western literature' (c.f., Chapter 1). There emerged four stages, namely 'ideation', 'proof of concept', 'expansion', and 'turnaround'/'sustained growth' (for 'turnaround' cases, in addition 'decline'; 'failure' cases only developed until the expansion stage). Next, I coded based on the social network/capital elements that emerged, namely elements related to the established cognitive, structural, and relational aspects of social capital (per organization, per stage). I also coded emerging mechanisms (e.g., 'embedded disembedding'), and conditions (e.g., 'cultural pre-conceptions'). Drawing from the above conceptualization of social capital/networks (Nahapiet & Ghoshal, 1998), I used existing operationalizations in the extant literature that have been show to apply in different contexts around the world, as sensitizing frame (see e.g., Inkpen & Tsang, 2005; Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998). This included looking at **a) The structural dimension** of social capital ('type of ties'); rather than being interested in the ratio of particular ties (e.g., kin relations, see Khayesi & George, 2011), I was interested in the relevant individual tie(s) (from the social entrepreneurs' perspective) and their effect); this included questions such as *'When thinking back, which individuals or organizations have been important to your initiative/organization at which point in time?'*; **b) The relational dimension** ('content' of the relationship, i.e., the assets, information, resources, etc. that were exchanged), included questions such as *'For what type of issue/resource have the different contacts been relevant? Why? Do you recall specific events?'*; **c) The cognitive dimension** (shared identity, including shared meaning,

interpretations, and representations such as norms, culture, and language); questions included: *How close have you/your organization been to these/how trusted were these? Do you share a common language, culture, or rituals?'.*

While using extant literature (e.g., Nahapiet & Ghoshal, 1998) to theoretically sensitize the study, I had no a priori hypotheses to not limit the potential scope of theory building. In order to improve the likelihood of completeness, accuracy, and validity, I discussed the individual findings with some of the social entrepreneurs, and asked for feedback on the initially detected configurations and relationships. Due to the anonymity of the participants/ventures, there was limited incentive for the social entrepreneurs to 'spice up' their accounts, and indeed, I perceived a 'critical approach' by the participating social entrepreneurs, which was confirmed by subsequent discussions on the respective cases with two academics and two industry experts.

(2) In order to triangulate on the level of datasets (Denzin, 1989) and to detect similarities and differences between the cases, I embarked on a **between-case-analysis**, with a specific focus on comparing successful and less successful cases, gradually expanding the between-case-analysis. Using replication logic, I tested the emerging theoretical relationships across the ventures, using NVIVO 9 to facilitate this process and to further increase (internal) validity. Comparing the cases across different dimensions, via a process of repeated iterations I identified succinct patterns across cases on network dynamics, conditions, and underlying mechanisms. Drawing on the constant comparative method and its developments (i.e., using minimal comparison of similar and maximum comparison of dissimilar cases), I constantly compared the codes and classifications to each other in order to come to a structured understanding (Flick, 2009), in my case succinct success and failure patterns, mechanisms, and conditions (c.f., 'findings').

Following the extant literature (e.g., Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998), I aimed to prevent the challenges regarding the analysis of social capital/networks. First, through careful case selection, I controlled as far as possible for the influence of other variables that could influence performance, including regional institutional environment (see above). Indeed, similar patterns across the two regions (Nairobi and Kisumu) were observed, and the factors that might vary between these contexts (e.g., technology) did not seem to have played a major role in the observed relationships. Second, the directionality of relations between social network and performance I aimed to control for by preparing timelines, and e.g., asking the respondents for the outcomes of the respective partnerships/ties. This allowed concluding that the organizational mechanisms I refer to did in fact trigger the

reported changes in social networks, and entailed performance effects. Third, in order to avoid tautological reasoning, I separated social networks and its effects both conceptually and empirically. While this can be a challenge given the engrained social nature of social enterprises, I followed the extant literature, as well as expert insights (c.f., 'findings').

As a next step, I **compared the emerging theoretical constructs with the extant literature**, to further refine the theoretical relationships, abstraction levels, underlying mechanisms, and construct definitions (Eisenhardt, 1989). Throughout this exercise, I engaged in an iterative process between theory and data until theoretical saturation, i.e., a close match between data and theory, was reached. This process allowed for a deeper exploration of theoretical insights and constructs (Bansal & Corley, 2012). Given the new empirical context of this study, it turned out that several aspects of the extant literature applied, while others differed. In a last step of data validation, I showed the outcomes and my interpretation to three experts, namely a participating social entrepreneur, a funder, and a local academic. Of particular importance was the validation of the life-cycle stages, the respective network dynamics per stage, and emerging key mechanisms and conditions related to performance. Finally, **theoretical triangulation** (Denzin, 1989) was reached by combining different theoretical perspectives (including networks, resource-based view, absorptive capacity, among others). The **resulting theoretical constructs are illuminated in the discussion ('5. Discussion').**

2.4 Findings

Four different life cycle stages were identified empirically, namely 'ideation stage', 'proof of concept stage', 'expansion stage', and 'sustained growth stage' (c.f., Tables 2-5 and below for evidence). The ideation stage covered establishing the opportunity and developing the idea. Core challenges of ventures in this stage included the need to gain insights into the problem, and potential solutions. The second stage, proof of concept, was concerned with the project/venture's launch and proof of concept/product. The core challenges included the need to establish a stable customer base, as well as other core parts of the value chain. The third stage, the expansion stage, covered growing the venture and its impact, and the core challenges included professionalizing and expanding structures, processes, and networks. Finally, the sustained growth stage was concerned with stabilizing the venture, its networks and operations, and challenges included further growing and sustaining the ventures' impact and reach. However, there was variation among the ventures, and several of the organizations did not follow this 'linear' trajectory, but rather went through a decline and

turnaround phase, eventually leading into a sustained growth stage (c.f., 'sustained growth stage').

In the following, I will discuss the social network/capital dynamics that I identified during the different stages, with a focus on a) the emergence and development of individual social capital dimensions over time, and b) the interaction between different social capital elements. **Tables 2-5** summarize the quotations mentioned in the text, as well as additional evidence.[12] Thereafter, I will describe and analyze the findings related to the most relevant surrounding mechanisms and conditions (c.f., Table 6 for evidence).

2.4.1 Network dynamics over the organizational lifecycle

2.4.1.1 Ideation stage

All six ventures I looked at went through an initial period of identifying the core problem and developing an idea/opportunity to tackle the problem. This period was a period of uncertainty with regard to the viability and communicability of the proposed solution, as well as the potential target market and customers. The ventures showed clear similarities in this initial stage (c.f., Table 2 for evidence); the founder of Agri-S1 summarized: *"The idea stage. There were a lot of uncertainties, because here you have the idea. You don't know where you're heading with it, but somehow you're convinced that it's going to work. So there are a lot of uncertainties there, and it's also [a] stage where you really have to have a lot of hope, belief in yourself, because it is you who has the idea and [has] to carry it.".*

The **structural dimension** was characterized by a **dense network of family, friends, and researchers**, where particularly research institutions (e.g., Kenya Research Institute in the case of Agri-S2) and close friends and family members (e.g., father in the case of Agri-T1; close friends and different family members in the case of Agri-S1) played a major role. The founder of Agri-S1 succinctly stated: *"I will say that apart from my family, I have some good friends who helped me at this point.".* On the **relational dimension**, these trusted ties mostly contributed **ideas, knowledge and feedback** (e.g., Agri-T1; Agri-LS2), **money** (e.g., Agri-S1), and **emotional support** (e.g., Agri-LS1). Also, given the newness of the idea and the lack of legitimacy, in some cases the practical support of close ties towards third parties such as the government was treasured, as the founder of Agri-S1 described: *"Two of my friends were even ready to protest in the office of the registrar, because they couldn't understand why*

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[12] In the first two stages, the turnaround ventures (Agri-T1 and Agri-T2) are included in the 'successful ventures' category, as until this stage they were widely regarded as successful. I analytically differentiate them as of stage 3, which partly laid the ground for the 'decline' stage they entered later, which allows to contrast the later choices (e.g., use of middlemen) that could be associated with decline.

such an exciting venture could not get certification.". Given the early stage of the ventures, the exchange of resources was mostly uni-dimensional; that is, the stakeholders mostly contributed to the ventures with no direct reciprocation: *"The specific contacts that were helpful...basically family members. There was not much they could gain at that point because we only started, but they helped."* (Founder, Agri-T2). However, as it will be shown below, these contributions partly came with strings attached (in terms of expectations) in later stages. With respect to the **cognitive dimension**, a **'shared faith'** was common among the ventures' founders and their initial key supporters. Given the complexity of their ideas/approaches, not all stakeholders actually understood the idea/product; however, they showed faith into the respective venture and their founders. As the founder of Agri-S1 phrased it: *"[They] have the belief in us, and they tried their best to be able to understand which [sic] I was telling them, and to have faith in me...they had faith in us. They had the faith in what we are doing.".* While in later stages there was considerable variation between success and failure cases (see below), in this stage I did not observe significant differences.

Thus, in this initial stage, **the interactions among the three social capital dimensions** appeared broadly positive and aligned, across cases: The (often pre-existing) dense network of people with close relationships to the founders (**structural dimension**) allowed for a 'shared faith' regarding the venture (**cognitive dimension**), upon which the initial key stakeholders felt (often uni-dimensionally) ready to supply money, ideas, advice, and other resources (**relational dimension**). A founder of Agri-T1 highlighted the inter-relationship: *"I think the mentoring and support from both of them [dad and business partner] was very critical. I think it was a good combination with the relative inexperience I had. And because they knew us well, because they knew our strong will, they believed we could do it.".* During the proof of concept stage, these dynamics changed within and between the ventures, as it will be discussed below.

TABLE 2: IDEATION STAGE: CHARACTERISTICS AND RELATIONSHIPS

		Agri-S1	Agri-S2	Agri-T1	Agri-T2	Agri-LS1	Agri-LS2
Characterization of stage	Establishing the opportunity and developing the idea. Need to gain insights into the problem and potential solutions.	"The idea stage. There were a lot of uncertainties, because here you have the idea. You don't know where you're heading with it, but somehow you're convinced that it's going to work. So there are a lot of uncertainties there, and it's also one stage where you really have to have a lot of hope, belief in yourself, because it is you who has the idea and [has] to carry it." (F)	"Stage one was about research and development. Basically there was [a] focus on establishing what the problem was that explained the low yields for farmers." (F)	"I think from our perspective we had a very short ideation stage. It was relatively short, because it makes sense on so many different levels...the great opportunity in terms of the demand...the logic of what we were trying to do was so clear and so simple that we didn't spend a lot of time thinking about it. We just decided to go and actually get stuff done." (F)	"The first stage was kind of the idea." (F)	"This was about the ideas." (F)	"I guess the first, so the phases we went through, the first phase would be like idea generation and proposal." (F)
Social capital dimensions	Structural: Dense network of family, friends, fellows, and researchers	"I will say that apart from my family, I have some good friends who helped me at this point." (F)	"Strong networks that were important at that point were Agri Research Institutions. For instance the Kenya Agricultural Research Institute at the...University's Soil Department. So, there were universities that focus on agriculture, the research, that could help us". (CEO)	"Dad , who was one of my co-founders, he was very helpful. We have another business partner ...they were much older than I was. They were experienced business people, much more experienced than me." (F)	"The specific contacts that were helpful....basically family members. There was not much they could gain at that point because we only started, but they helped." (F)	"I had relatives around, who helped me." (F)	"We had access to people who had written business proposals before, business school students...and actually having access to funders through the class, as well as our professor, so I would say the first stage was a lot of going from within the school...I think being part of the school was very vital to...that stage." (F)
	Relational: Monetary, emotional, and ideas support by trusted ties; mostly uni-dimensional	"[Besides ideas], they also sacrificed their own money...my wife sold even the sofa set. They also sacrificed a bit of their resources and they chipped in their money." (F) "Two of my friends were even ready to protest in the office of the registrar because they couldn't understand why such an exciting venture could not get certification." (F)		"I think the mentoring and support from both of them [dad and business partner] was very critical. I think it was a good combination with the relative inexperience I had. And because they knew us well, because they knew our strong will, they believed we could do it". (F)	"I used my own money, my own resources to set up the firm...[and] I engaged some of my sons and daughters, who helped out." (F)	"They [the relatives] supported me [emotionally]." (F)	"[Fellow students] were able to give us a lot of feedback on how to put together a huge proposal." (F)
	Cognitive: Lack of deeper understanding, shared faith	"[They] have the belief in us, and they tried their best to be able to understand which [sic] I was telling them, and to have faith in me...they had faith in us. They had the faith in what we are doing." (F)		"When we first started, there were few organization which were intrigued by driving social development using the efficiencies of the private sector...But I think it [the confusion] was due to a lack of detailed understanding and deconstructing what exactly is grant, what exactly is loan, patient capital, and the...social aspect." (F)		"They put the faith in me, I put the faith in them." (F)	"At the very first stage we were very fortunate to be part of this class with huge amounts of like minded people." (F)

2.4.1.2 Proof of concept stage

While the ideation stage showed broad similarities among the ventures, the proof of concept stage exhibited crucial differences. While there was agreement on the characteristics of the stage – namely, testing the product and approaching developing the value chain (c.f., Table 3 for evidence) – the social capital dimensions, as well as their interactions, were succinctly different between ventures.

With regard to the **structural dimension**, all (ultimately) **successful ventures** (Agri-S1; Agri-S2; Agri-T1; Agri-T2) exhibited a **strong local network, paired with crucial international ties**. The strong local network, in addition to the core stakeholders mentioned above, included farmers, local communities, and local NGOs. The international ties included development partners and international NGOs. The CEO of Agri-T1 explained: *"[Founder 1] was very good in establishing those academic connections. He's very good at building the relationships with NGOs and development agencies. That's what led to a lot of that initial growth. It was NGOs and other large donors funding [Agri-T1's] work in the field. So those were critical relationships that developed. Of course...the network of small-holder farmers...are external relationships as well, and that was critical.".* The **less successful ventures**, in contrast, showed a less strong local network, and fragile or non-existent international ties. As the founder of Agri-LS1 described: *"So I failed to bring in the stakeholders…here at home and more broadly…maybe call for advice, the necessary certifications...that is also another factor that made this thing not work.".* The differences became even more succinct with regards to the **relational dimension**: while successful ventures (Agri-S1; Agri-S2; Agri-T1; Agri-T2) showcased **reciprocal, trusted relationships** (in contrast the more uni-dimensional ones in stage 1), for example with local business schools for expertise exchange (Agri-T1) or supporting farmers to buy their products (Agri-T2), less successful ventures fell into (often one-way) dependency relationships with often high expectations. This for example with respect to family members and close friends, as the founder of Agri-LS1 explained: *"And each one of them [key stakeholders/family members]…felt that…'this thing is ours, and we could easily walk with cash'…without proper accounting for every single cent that left the enterprise. And that…eventually brought that enterprise down to its knees.".* In contrast, the reciprocity of relationships in the cases of successful ventures was described by a key funder of Agri-S2: *"The agents were selling the [product] because these are the farmers who were selling, who are using the [product]. Neighbors can see the impact to take orders, and then can coordinate with the company to have the orders placed with their neighbor farmers and get a commission. So, in that way…your scale will be directly linked to the change maker ability of the…entrepreneurial abilities of your farmers.".* In a similar vein, the founder of

Agri-S1 stated: *"Now each one of them [the farmers] was coming to me saying, 'We want the seeds. Give us every seed. We also want to grow this thing and we sell to you.' So it grew and up to now we have, I think, about 5,000 farmers.".* Thus, both sides benefitted from this reciprocal relationship.

On the **cognitive level**, successful ventures (Agri-S1; Agri-S2; Agri-T1; Agri-T2) showed a **mutual understanding with key stakeholders**, based on **educating them** about and convincing them of the (viability of) the idea and product, and overcoming cultural pre-conceptions: *"In Africa, there are people who still believe that they cannot even grow mushrooms. They associate mushrooms with…evil activities…Those kind of cultural differentiations, they're small…but, eventually, they add up into something big that now makes people not to think very critically of…[how] to move out of poverty, to solve their own social problems…I think we still need a lot of awareness, and that awareness is probably going to be caused by ventures like [us]."* (Founder, Agri-S1). The role of different languages played a major part, given the disparities across Kenya/East Africa, e.g., via tribal separations: *"In almost all the tribes in East Africa, we realized that three quarters of the population, you know, they only listen to their local dialects, FM Station. So, we realized that, if you want to reach these people, you go and reach them through their…mother tongues."* (Founder, Agri-S1). Also, new technology such as mobile phones and internet facilitated the dissemination of this information: *"We have those who have mobile phones, they can access information. We have those who listen to the radio, they can access information. We have those with internet connectivity who can access information."* (Founder, Agri-T2). In addition, showcasing successful and less successful farmers appeared important, as it enhanced the understanding and trust/credibility/legitimacy of the respective product: *"We're also working with some of the farmers who are identified for their best practices...we've been using that a lot with pertains to the driving of a lot of our business…farmers tend to trust farmers who are actually doing the same thing like them and who are successful. So, when we have field demos…it's easy to reach other farmers. But there's something else we are doing which is very exciting. That is, identifying farmers that are not working very well, farmers that are failing, and then taking them through our own support…[and] our products, because this powerful story is also to be told by people who actually were written off, who are [now] succeeding. This forms the kind of network that [is] working for us."* (CEO, Agri-S2). In contrast, less successful ventures (Agri-LS1; Agri-LS2) showed a disconnect between key stakeholders and founders, both with respect to a general understanding, as well as with respect to communicating key ideas and value of the product. As the founder of Agri-LS1 described: *"And the pitfalls you've run into, and the challenges you've overcome. And even the failures you've undergone in the course of running that venture - they have no slightest*

idea. So…all they do is to come there and say, 'Okay, now this thing is an established one, we are here to eat.'…[also, we did not know] how to communicate with [our] clientele…we realized [too late] that, if you want to reach these people…[it's via] their mother tongues.". Thus, while successful ventures showed a general mutual understanding with key stakeholders, less successful ones had issues establishing this joint cognitive frame.

Thus, as the evidence in Table 3 suggests, the **interactions between the three dimensions** were dynamic, and often pro-actively driven by the respective social entrepreneurs. Successful ventures **were able to convince locals and international organizations** of their legitimacy, relevance, and importance (**cognitive dimension**), and recruited them into their network (**structural dimension**). Via this change, they gained access to funds and related resources (**relational dimension**). One of Agri T1's founders illustrated this inter-relationship: *"We spent a lot of time mediating with people. We are thus considered to be quite mutual in objective and helping them stick. This also helps connecting with people and build trust and makes our connections work when needed.".* Less successful ventures were not able to properly communicate their idea and establish a common understanding (**cognitive dimension**), and thus were less successful in recruiting key stakeholders such as farmers (**structural dimension**), leading to a lack of access to cash and other means (**relational dimension**): *"So to get buy-in from someone else, actually on the ground, and to get them to be excited and passionate about it, and join it, can be a big hurdle...so we were a bit disconnected, also with their resources."* (Founder, Agri-LS2).

A key challenge facing all organizations, including the successful ones, was the collaboration with the government, which was initially relatively hostile towards the social entrepreneurs' ideas, given their newness and potential threat towards existing standards. The case of Agri-S2 proved to be a (radical) case in point: *"He [the founder] understands all the science of all of this, and then he created this fertilizer product that he started selling, but then he was thrown in jail because there was no Bureau of Standards certification for the product. So, then he had to work with the Kenya Bureau of Standards to understand, to create…[and] to document the process for certifying this new product, which hadn't otherwise had a sort of like standards."* (Funder, Agri-T1). The dynamic developments related to this issue will be shown in the next chapter ('expansion stage').

TABLE 3: PROOF OF CONCEPT STAGE: CHARACTERISTICS AND RELATIONSHIPS

		Agri-S1	Agri-S2	Agri-T1
Characterization of stage	Launch and proof of concept/product. Need to esablish customer base and other parts of the value chain.	*"I would call it the supply-building stage, the second stage." (F)*	*"The second stage was on a proof of product. After... [Agri-S2] produced these products, it [was] important for it to be put through the efficacy run to see whether it actually works, and whether it had the benefits that we thought it had." (CEO)*	*"It stayed in a small company stage...the early years of [Agri-T1] were really driven by the founder, and his passion and energy, and creativity really drove that, and so his persona was integrated hand in had with [Agri-T2]." (CEO)*
Social capital dimensions	**Structural**			
	Successful: Strong local network paired with crucial international ties	*"Before I make very tangible decisions, I always get their [good friends'] opinions. Whatever they bring forward, I treat them somewhat seriously, because I have confidence in them, and I know that people have started with me, and they know where we came from and where we are heading to." (F)* *"The farmers are good to go. When we are working with them, it's like we are going to take off." (F)* *"We have 6 NGOs who are purchasing the products to give to the people they take care of". (F)*	*"There are some NGO workers there, maybe they're government workers, but they're showing how you can use [our product]." (F)* *"There were scientists, microbiologists, as well as scientists as well as physicists. So, all these people were key in helping collect the result, and also the field of trials for efficacy testing." (CEO)* *"In the way that they work with their entrepreneurs [agents/farmers], they're like workforce." (F)*	*"[Founder 1] was very good in establishing those academic connections. He's very good at building the relationships with NGOs and development agencies. That's what led to a lot of that initial growth. It was NGOs and other large donors funding [Agri-T1's] work in the field. So those were critical relationships that developed. Of course...the network of small-holder farmers...are external relationships as well, and that was critical." (CEO)* *"Then I think we sort of spent a little bit of time demonstrating proof of concepts with one or two partners...We had a great partnership with the [international development agency]." (F) "We also built a very strong reputation in the field with the farmers and the buyers and with the community groups who buy the hives as well. " (F)*
	Less successful: Less strong local network; fragile and/or non-existent international ties			
	Relational			
	Successful: Reciprocal, trusted relationships	*"Now each one of them [the farmers] was coming to me saying, 'We want the seeds. Give us every seed. We also want to grow this thing and we sell to you.' So it grew and up to now we have I, think, about 5,000 farmers." (F)* *"We had to look for a way to best solve the shopkeepers, because the shopkeepers are the ones who deal directly with consumers. And we want anything that's going to, first bring them more business. So we opted for the depots." (F)*	*"The agents were selling the [product] because these are the farmers who were selling, who are using the [product]. Neighbors can see the impact to take orders, and then can coordinate with the company to have the orders placed with their neighbor farmers and get a commission. So, in that way...your scale will be directly linked to the change maker ability of the...entrepreneurial abilities of your farmers." (FD)*	*"We also partner to finance farmers. So, it wasn't really funding to us; it was funding to the farmer to buy our product....That was the IFC or [other international development organizations] giving money to the farmer to buy hay." (F) "We got a lot of business schools coming us to help them develop their case studies. As they developed their case studies, we learned about the industry." (F)*
	Less successful : One-way dependency relationships with high expectations			
	Cognitive			
	Successful: Effective education of stakeholders and joint understanding with key stakeholders (Challenge: Government)	*"There are people who are at the extreme hardship zones. So we try to understand their case. So that, you add them a little bit margin. So that they would take care of the extra cost that they have to incur. So you know, we're doing it in a friendly way so that...we make them understand that our main interest here is not to block the price...so if there's a good reason why someone has to add more than everybody else, then...we look at it, then decide." (F) "They [the government] are not welcoming to new ideas, so I had a problem of convincing them that this is an idea that's going to work, so you give me the proper certifications, so that I may be able to run these things in the market, that is a role I fought for almost 6 months and eventually I won it when I got the certifications." (F)* *"In almost all the tribes in East Africa, we realized that three quarters of the population, you know, they only listen to their local dialects, FM Station. So, we realized that, if you want to reach these people, you go and reach them through their...mother tongues." (F)*	*"He [the founder] understands all the science of all of this, and then he created this fertilizer product that he started selling, but then he was thrown in jail because there was no Bureau of Standards certification for the product. So, then he had to work with the Kenya Bureau of Standards to understand, to create...[and] to document the process for certifying this new product, which hadn't otherwise had a sort of like standards." (FD). "We're also working with some of the farmers who are identified for their best practices...we've been using that a lot with pertains to the driving of a lot of our business...farmers tend to trust farmers who are actually doing the same thing like them and who are successful. So, when we have field demos...it's easy to reach other farmers. But there's something else we are doing which is very exciting. That is, identifying farmers that are not working very well, farmers that are failing, and then taking them through our own support...[and] our products, because this powerful story is also to be told by people who actually were written off, who are [now] succeeding. This forms the kind of network that [is] working for us." (CEO)*	*"We spent a lot of time mediating with people. We are thus considered to be quite mutual in objective, and helping them stick. This also helps connecting with people and build trust [which] makes our connections work when needed." (F)* *"They [international donor organizations] were the first people who looked at Agri-T1] truly for what is. I mean, they had a glint in the eye. They knew the potential for social enterprise in the world, and we're one of their first investees, and they gave us a loan." (F)* *"[Initially], our funding didn't match our mission, because there was no one out there to match the mindset of the donor community to match our mission. [Later], our donors out there – not even donors, the hybrid organizations, they said, 'Listen, we understand social enterprise. We are going to dissect your company and make sure we fund you the funding that matches the part of your company which needs the funding.' So, here it happened." (F)*
	Less successful: Lack of joint understanding.			

		Agri-T2	Agri-LS1	Agri-LS2
Characterization of stage	Launch and proof of concept/product. Need to esablish customer base and other parts of the value chain.	*"The second stage was building the platforms."* (F)		*"The second was the pilot field testing, and then prototyping. And I think what is the business and organizational development aspects. I would also include...partnership building."* (F)
Social capital dimensions	**Structural**			
	Successful: Strong local network paired with crucial international ties	*"Our target was really to help small farmers who we think are disadvantaged at [sic] the marketplace."* (F) *"By participating in this [international] program, we got funding to develop the platforms. So, development partners...were very key partners."* (F)		
	Less successful: Less strong local network; fragile and/or non-existent international ties		*"There are not many stakeholders there. Because, I thought that he who had listing would introduce me and once I have the product and push it in the market it will sell. But that was a mistake."* (F) *"I missed to include the stakeholders...here at home and more broadly....maybe call for advice, the necessary certifications...that is also another factor that made this thing not work."* (F)	*"A key challenge is finding reliable key people on the ground."* (F)
	Relational			
	Successful: Reciprocal, trusted relationships	*" They [the farmers] are weak, they have weak bargaining power for a better price, better bid of the buyers, and so on. So, I work to empower this for small farmers with knowledge, information to get a better price. So, that way...it [helps] a lot of smaller farmers."* (F)		
	Less successful : One-way dependency relationships with high expectations		*"And each one of them [key stakeholders/family members]...felt that...'this thing is ours, and we could easily walk with cash'...without proper accounting for every single cent that left the enterprise. And that...eventually brought that enterprise down to its knees."* (F)	*"The second stage challenge; I think the pilot studies showed that although the residents were very welcoming of the product, we did foresee challenges in how we would be able to massively distribute them, in how the cost structure would be shared...and then, who should bare the burden of building these structures, and if they were purchased by the family, other problems like...building other things using the materials. So the second challenge we faced was really [offering] something that they [would] actually buy from us."* (F).
	Cognitive			
	Successful: Effective education of stakeholders and joint understanding with key stakeholders (Challenge: Government)	*"We also developed what we call now market resource centers, earlier we used to call them market information points. These are basically [providing] information in rural markets. So, once we have collected this price information, in addition to uploading it into mobile phone networks, we send this information to those rural market kiosks. Our people there print this information, and pin them on the wall. We encourage people, farmers particularly, [to] go into these local markets, that instead of just under a tree and waiting for a buyer to come to you, [you] might as well come and look at the current prices in various markets in Nairobi, Mombasa and so on. Then, sit down with this knowledge, so that when a trader comes to buy from you, you can bargain for a better price because you know what the prices are. So, we set [this] up as another platform."* (F) *"We also use...radio because .. it's still very widely used in rural areas for people to access information."* (F) *"We have those who have mobile phones, they can access information. We have those who listen to the radio, they can access information. We have those with internet connectivity who can access information."* (F)		
	Less successful: Lack of joint understanding.		*"And the pitfalls you've run into, and the challenges you've overcome. And even the failures you've undergone in the course of running that venture - they have no slightest idea. So...all they do is to come there and say, 'Okay, now this thing is an established one, we are here to eat.'...[also, we did not know] how to communicate with [our] clientele...we realized [too late] that, if you want to reach these people, you go and reach them through their mother tongues."* (F)	*"So to get buy-in from someone else, actually on the ground, and to get them to be excited and passionate about it, and join it, can be a big hurdle...so we were a bit disconnected, also with their resources."* (F)

2.4.1.3 Expansion stage

The expansion stage - concerned with growing the venture and its impact (c.f., Table 4 for evidence) - showed high variation and considerable changes both in comparison to the network dynamics in the proof of concept stage, as well as between successful and less successful ventures.

The **structural dimension** showed considerable differences between successful and non-successful social ventures. Successful ventures (Agri-S1; Agri-S2) all assumed a **central, dominant role in the local network, complemented with international ties**. **They pro-actively arranged the network structure, and substituted non-effective partners/boundary spanners/brokers** (especially middlemen) with aligned partners such as farmer cooperatives. The founder of Agri-S1 explained: *"Our concept is eliminating middlemen. So that we deal directly with the farmers through the farmer cooperatives, which they themselves own and control. They elect the officials there. So it is them who run the farmer cooperatives. We deal with them directly…we need to be in the middle of it all."*. Direct performance-implications occurred, for example at Agri-S1: *"Through the Farmer's Association, I'll say cooperatives…we're able to collaborate [even more] with Moringa farmers, mushroom farmers, and Amaran farmers, so that we can increase productivity."* (Senior strategist, Agri-S1). These cooperatives took a strategically important function within the network structure and supply chain, both with respect to sourcing as well as distribution. For example, in the case of Agri-S2, with a focus on information gathering and distribution: *"At the scaling level, we are also working with the distribution outlets. So we're working with the cooperatives movements, for instance, to access the market, because our production has to be driven by the market demand, or it won't make business sense if we produce, if we triple the production and there…[would be no] need as we are scaling, we need to be responding to the challenges facing the farmers. The way to access that information is through bodies like those, like the cooperatives…they help us be more successful."* (CEO, Agri-S2). The turnaround ventures (Agri-T1; Agri-T2) also assumed central dominant roles; however, while Agri-T1 followed a similar path as Agri-S1 and Agri-S2, Agri-T2 still relied on middlemen, which led to problems later on (c.f., Table 4 for evidence, and below 'decline').

Other key stakeholders that drained resources, such as **ineffective family members, were pro-actively substituted as well**: *"Most of the time, I try to connect them [ineffective family members] to some of these [companies of friends], because maybe our friends are also earning with their businesses…Nobody wants to get into conflict with either your wife or your brother or your sister. So…[I] try to create opportunities for them outside [Agri-S1]."*

(Founder, Agri-S1). This 'outsourcing' of family members made it possible to focus on core operations and still avoid disappointing family expectations. A key structural change in the expansion stage was the central inclusion of government, not only as certification agency, but rather more broadly/in multiplex ways. The government had been a major concern for all ventures, also the successful ones, in the earlier stages when legitimacy and credibility were low, but once the product/idea was proven and the ventures became more visible, all successful ventures (Agri-S1; Agri-S2) as well as the turnaround ventures (Agri-T1; Agri-S2) included government more centrally in their network. The founder of Agri-T2 explained: *"So, they [government/extension workers] saw that our system actually provided an authority in providing extension to farmers, so the extension officers of the Ministry of Agriculture became very good partners, that when it came to talking about agricultural markets and where to find the markets to advice farmers, they tell [us], 'Please talk to the farmers on our behalf.' So we became friends that way.".* The cooperation with international organizations fuelled the growth of the successful (Agri-S1; Agri-S2), as well as turnaround ventures (Agri-T1; Agri-T2), as it brought in money, advice, and other resources that were not readily accessible locally. As a founder of Agri-T1 clarified: *"I think the primary sort of driver of growth was a lot of [international] development organizations and NGOs…of course, obviously, with the network of small-holder farmers, those are external relationships as well, and that was critical in [Agri-T1's] early stage, going hand in hand with the NGO money, with the donor money that was flowing in to fund these projects in rural areas…we don't have these support systems here.".*

In contrast, the remaining **less successful venture (Agri-LS1)** **took a less dominant/less central role in the local network** (highlighted by statements such as: *"We were just not important enough to partners, and did not bring in the stakeholders."* (Founder, Agri-LS1)), and **did not substitute ineffective network members/stakeholders**. With regards to eliminating middlemen, a key feature of successful organizations (Agri-S1; Agri-S2), the founder of Agri-LS1 admitted that his venture still worked with unaligned middlemen a potential cause of failure: *"We worked with middlemen. Yes, and that is another cause of failure. Yeah, we trusted so much the middlemen. Whatever, we're doing, you know, we were getting [it] from the middlemen.".* In a similar vein, in contrast to the successful organizations, destructive or ineffective family members were not stopped from appropriating value from the organization: *"I will be the last person to bring many relatives [or] many close friends into the enterprise [again]…nobody wants to commit or to say that, 'this is how the money was used'. And now, here, you have relatives whom you cannot fight, you cannot take them to [the] police. So, it was very frustrating...so, at the end of the day, the business suffers, because that money has left and, there's no way of how it's going to*

come back.". Thus, in comparison to successful ventures (e.g., Agri-S1), ineffective stakeholders were kept on, rather than substituted.

The **relational dimension** pronounced a **reciprocal and empowering relationship** of successful (Agri-S1; Agri-S2) and turnaround (Agri-T1; Agri-T2) ventures with their key stakeholders. Particularly the change of government from untrusted barrier in earlier stages to trusted partner in this stage, both for successful ventures (Agri-S1; Agri-S1), as well as for the turnaround ventures (Agri-T1; Agri-T2), was pronounced. In the words of the founder of Agri-S1: *"The relationship [with the government], I will say are [sic] good, because they have now fully recognized what we are doing. They are embracing me to a point where they'll call you to a workshop and they tell you 'now, so far you've come a way to this day. Please tell the audience where you are, what you are doing, what problem did you solve, and things like that.'".* Thereby, ventures used different approaches to convince the government and its extension workers to become an active part of the relationship. In the case of Agri-T1, for example, it was about appreciating local social dynamics: *"Also, a lot of simple things on our side in terms of learning the power relations, understanding how people work with one another – I'd give you a very simple example: We were providing three-day programs, no matter whether you are a beekeeper or you were a government extension worker or you are an NGO person, everybody got three days. We were finding a lot of resistance at that time…We added a few days, and some government people, and to the NGO people we said, 'If you come...you get an advanced beekeeper certificate.' That automatically changed things. It sort of helped to restore the sense the government officials needed, that they were the source of information and knowledge in a community. They were the people to whom people would turn to for advice.".* Relationships of the successful and turnaround ventures particularly with farmers and local communities highlighted another aspect, namely moving beyond mere reciprocity towards empowerment: *"The biggest category of those who are malnourished are the farmers themselves, and their families. So, while we try to help them out, we also want to ensure that they…grow economically, come out of poverty, and also fight malnutrition from their local levels as well."* (Founder, Agri-S1). For example, given the low purchasing power of their customers, the ventures embarked on directly or indirectly providing micro-finance and other financing solutions to their clientele. Often international funders enabled these growth activities, combining financing the respective project/funder, as well as related stakeholders, especially farmers, as in the case of Agri-T2: *"[There was] this project [that] sought to help farmers increase the productivity of maize, then we were called to implement this…to set up our…system to provide information to farmers who produce maize, on where they can sell maize once they increased the yield of maize they want to sell. So, by participating in this program, we got funding [by international funders] to develop the*

platforms. So, development partners…were very key partners, therefore, in giving us supplementary resources that we didn't have to develop." (Founder, Agri-T2).

In stark contrast, the **remaining less successful venture (Agri-LS1) showed untrusted dependency relationships** with key stakeholders (rather than reciprocal or empowered ones). Particularly the relationship with middlemen proved intricate, as transactions and prices were unreliable and deceitful, endangering the dynamics and workings of the whole value chain: *"The middlemen have no fixed price, yeah, there's simply no way of going to control that…Now that fluctuation in the input price, eventually contributes to your collapse. Because you're not going to tell the supermarket that…'In this order, I'm selling at hundred, the next order two hundred and fifty, the next order…I'm giving you at 120'. It can't work."* (Founder, Agri-S1). In addition, and in contrast to both the successful (Agri-S1; Agri-S2) and turnaround ventures (Agri-T1; Agri-T2), Agri-LS1 was surrounded by stakeholders that contributed almost none of the critical resources discussed above, and wrong or no advice: *"That element [of failure] was about this thing we call the logistics. The logistics of you know, operating a business in terms of surrounding yourself with the right people getting proper advice. The advice that...you need to operate, so in this regard, I'm referring to, you know, the items that we brought into the market."* (Founder, Agri-LS1).

On the **cognitive dimension**, both successful (Agri-S1; Agri-S2) and turnaround (Agri-T1; Agri-T2) ventures established a **'dominant paradigm/perception'** around their idea/product/venture, and **aligned them with the mental frames** of key stakeholders, such as the government: *"We have this thing called the Vision 2030, so anything, any product right now…if you want to have any government blessing, you need to align it with the Vision 2030...Because we are tackling all of them [the focus areas such as eradicating poverty], the government has gotten so far very interested."* (Founder, Agri-S1). Similarly, by showcasing the government how their products/approaches could directly benefit them, the above mentioned trusted relationships could be facilitated, as the founder of Agri-T2 explained: *"So, they [government/extension workers] promoted us also in particularly rural areas, so it was easier for us to be accepted by farmers, because the Ministry of Agriculture extension [workers] say, '[Agri-T2] are good people and they…give you information about markets, where to buy fertilizer, seed, where to sell your potatoes, where not.' So we are good partners in terms of promoting us being known.".* By showing the concrete benefits of their products, social ventures got access to government programs. Even more nuanced was the story of Agri-S2, whose founder/chairman was initially put into jail due to the non-understanding and appreciation of his product, but later found a way to create a joint understanding with the government, as the CEO of Agri-S2 illustrated: *"Through policy*

discussion, through meetings to discuss the problems...the government officials and the government agencies started opening up. Before, in fact, the [product] was criminalized by law. But through the conversations of our chairman and the others both in and outside of the government, we were able to [win].".

Apart from the government as a direct key stakeholder, successful ventures and turnaround ventures also understood the importance of working with local communities and customers, fostering relationships that sometimes only indirectly benefitted the business, but built goodwill. As a founder of Agri-T1 commented: *"I spent a lot of time advising the ministry of our [product] strategy. We helped to build [a major regional product council]. We did a lot of work like that which is not core business. But the reason we did this, the reason we volunteered in all those advisory committees with government and went through meeting government officers…[is] because it's a really critical part of how you build relationships."*. In remarkable contrast, the remaining less successful venture (Agri-LS1) was **not able to construct a credible narrative** towards its stakeholders. This was particularly visible in its relationship with customers, as the founder of Agri-LS1 explained: *"So, that business failed because we had the misconception that, you know, our product wants to target the high income earners. Yes, which was a mistake. Yes, because, the high-income earners, you know, they have their own preferences. And in that bracket, there are also a number of products there, as well. And it's even more difficult to try and convince them to leave what they are used to and then switch to us. You'd rather come in with, you know, something completely different with more value…and then more acceptable and even more affordable...yes, so, that's another mistake that caused our failure."*. Thus, a misalignment with stakeholder interests and incentives, which also manifested itself in the perception of quality: *"As much as we tried to add a new value, but it could not get to the market. Yeah, because of the perceived quality in it and you know, it was like any other product that was in the market. Yes, anybody looking at it could not see why, you know, he should switch from what he currently uses to this."* (Founder, Agri-LS1). The above mentioned critical relationships, especially with government, were virtually non-existent, as the founder of Agri-LS1 drily remarked**:** *"We didn't succeed to [bring in] the stakeholders.".* Thus, there were remarkable differences between successful and less successful ventures in the expansion stage, particularly with respect to the conscious building and governing of the whole (peripheral) value chain/ecosystem, as well as consciously re-configuring the respective key stakeholders to align core interests (and vice versa).

Besides these changes from stage to stage and throughout the success- (Agri-S1; Agri-S2) and turnaround- (Agri-T1; Agri-T2) cases, there could also be observed critical **interactions**

between the social capital dimensions, pro-actively orchestrated by the relevant actors. Particularly the elimination of middlemen (**structural dimension**), which led to a more aligned stakeholder ecosystem with aligned incentives and narrative (**cognitive dimension**) and trusted resource exchanges (**relational dimensions**): *"We needed to work with the farmer cooperatives, not the middlemen...the cooperatives want the same like [sic] us, they want farmers to produce and sell much...this is good for them and for us, and we can [better] trade with each other."* (Senior Strategist, Agri-S1). In a similar vein, aligning interests and narratives of the government (e.g., related with the government's 'Vision 2030') and the respective venture (**cognitive dimension**) led to a more trusted relationship (**relational dimension**) and a more central position of government in the respective venture's network (**structural dimension**) (c.f., above & evidence in Table 4). That is, growing the venture in this stage relied on pro-active orchestration of the network, influencing cognitive, relational, and structural dimensions.

TABLE 4: EXPANSION STAGE: CHARACTERISTICS AND RELATIONSHIPS

		Agri-S1	Agri-S2	Agri-T1
Characterization of stage	Growing the venture and its reach. Need to professionalize and expand structures and network.	"The third stage I will say now is...how we've started growing." (F)	"The third stage where we are right now, which is scaling the networks that are important to us...the ones that are able to provide the knowledge that we require in terms of business development and the different models." (CEO)	"There was a phase where the articulation of organogram really began to take place. We actually had a marketing unit. We had a development unit, etc. But I also think there were some fundamental changes made for the business." (F)
Social capital dimensions	**Structural**			
	Successful: Establishment of central, dominant role in local network, complemented with international ties; pro-active arangement of network structure; substitution of non-aligned partners	"Our concept is eliminating middlemen. So that we deal directly with the farmers through the farmer cooperatives, which they themselves own and control. They elect the officials there. So it is them who run the farmer cooperatives. We deal with them directly...we need to be in the middle of it all." (F) "We needed to work with the farmer cooperatives, not the middlemen....the cooperatives want the same like us, they want farmers to produce and sell much...this is good for them and for us, and we can [better] trade with each other." (SS). "Interestingly, many of those NGOs who were fighting this idea initially, are now coming in with a lot of concepts that they want to work with us [on], but we also give them our conditions, that 'if you're going to work with us, this is what we have to do'." (F) "The government got interested in the whole arrangement...because they've seen the concept was going to work." (F) "Most of the time, I try to connect them [ineffective family members] to some of these [companies of friends], because maybe our friends are also earning with their businesses...Nobody wants to get into conflict with either your wife or your brother or your sister. So...[I] try to create opportunities for them outside [Agri-S1]." (F) "Through the Farmer's Association, I'll say cooperatives...we're able to collaborate [even more] with Moringa farmers, mushroom farmers, and Amaran farmers, so that we can increase productivity." (SS).	"At the scaling level, we are also working with the distribution outlets. So we're working with the cooperatives movements, for instance, to access the market, because our production has to be driven by the market demand, or it won't make business sense if we produce, if we triple the production and there...[would be no] need as we are scaling, we need to be responding to the challenges facing the farmers. The way to access that information is through bodies like those, like the cooperatives...they help us be more successful." (CEO). "Moving forward, we [have been] reaching out to extension officers; these are the agricultural officers which are deployed by government." (CEO)	"I think the primary sort of driver of growth was a lot of [international] development organizations and NGOs...of course, obviously, with the network of small-holder farmers, those are external relationships as well, and that was critical in [Agri-T1's] early stage, going hand in hand with the NGO money, with the donor money that was flowing in to fund these projects in rural areas...we don't have these support systems here." (F)
	Less successful: Less dominant/central role in local network; no substitution of ineffective ties			
	Relational			
	Successful: Reciprocal and empowering relationships with key stakeholders.	"The relationship [with the government], I will say are [sic] good, because they have now fully recognized what we are doing. They are embracing me to a point where they'll call you to a workshop and they tell you 'now, so far you've come a way to this day. Please tell the audience where you are, what you are doing, what problem did you solve, and things like that.'" (F) "The biggest category of those who are malnourished are the farmers themselves, and their families. So, while we try to help them out, we also want to ensure that they...grow economically, come out of poverty, and also fight malnutrition from their local levels as well." (F)	Now what are [these Village Banks/cooperatives] doing? They are buying the products from us and they are distributing it [sic] to the members. They are collecting money from the members. They are paying. So, it works really well, and training becomes easy because we organize to go and visit them when they have their monthly meeting...Then we have a session, to channel them through our training. So, those are our useful networks at the moment." (CEO) "Agro vets are important because they have certain capacities which we noticed would be useful. So, we want to train them. Our aim is actually to train the agro vet and...to test our farmers." (F)	"Now, we were not clear whether they're financing [Agri-T1] or financing the community, but in retrospect, they [the international funders] were really financing the communities to buy [the product] from [Agri-T1]." (F) "In some cases you have a chief or a sub chief and that's the lowest end of the administrative section of the government. That person is going to be closest to the people on the ground from the government. Those are the things that we spent a lot of time working on." (F) "Also, a lot of simple things on our side in terms of learning the power relations, understanding how people work with one another – I'd give you a very simple example: We were providing three-day programs, no matter whether you are a beekeeper or you were a government extension worker or you are an NGO person, everybody got three days. We were finding a lot of resistance at that time...We added a few days, and some government people, and to the NGO people we said, 'If you come...you get an advanced beekeeper certificate.' That automatically changed things. It sort of helped to restore the sense the government official needed, that they were the source of information and knowledge in a community. They were the people to whom people would turn to for advice." (F)
	Less successful: Untrusted dependency relationships with key stakeholders			
	Cognitive			
	Successful: Establishing a 'dominant paradigm/narrative'; alignment with mental frames of key stakeholders.	"We have this thing called the Vision 2030, so anything, any product right now...if you want to have any government blessing, you need to align it with the Vision 2030...Because we are tackling all of them [the focus areas such as eradicating poverty], the government has gotten so far very interested." (F). "I think...the government now has a lot of confidence in what we are doing because this is the possibility to attest their own certifications, it's locally based and it's uplifting many people from those social problems of poverty, malnutrition and hunger. The government has gotten very interested and I think right now if you want to ask the government 'can you give us a loan of this much', I'm sure they'll do that very fast, contrary to where we came from where nobody had any trust. They know I wanted to involve them in this, so I think it has come a long way to a point where they are now able to buy this specific product and added them in their own menus. You give them to the malnourished and the sick in hospitals and I believe it's a good indication that they have a lot of confidence in what we're doing." (F) Text	"Through policy discussion, through meetings to discuss the problems...the government officials and the government agencies started opening up. Before, in fact, the [product] was criminalized by law. But through the conversations of our chairman and the others both in and outside of the government, we were able to [win]. In fact, what had been seen as illegal input was a better solution to the farmers' problem than what was considered legal.....So, in that case he [the founder] understood the whole policy framework was missing." (CEO) "Sometimes they [the government] are working with knowledge that is outdated. We want to see how we can invest in bringing them up to speed. Something here we're working both directly with these offices but also trying to see where we can patch along with the government to do that with them." (CEO)	"I see government as a very familiar stakeholder along with non-governmental organizations, development agencies and donors. The relationships dynamics are very, very similar to those. Again, if you don't have the orientation, the understanding of how to work with government [it won't work]." (F) "I spent a lot of time advising the ministry of our...strategy. We helped to build [a major regional product council]. We did a lot of work like that which is not core business. But the reason we did this, the reason we volunteered in all those advisory committees with government and went through meeting government officers...[is] because it's a really critical part of how you build relationships." (F) "Government was actually a bit of a love-hate relationship...People [in government and local agencies] have built their entire career on a completely different kind of technology, and here we were in my [sic] early 20s, telling them what they were doing was wrong and I knew better than them. So, I think there were a lot of difficulties in the beginning, and then I think the people [from government] that we were able to convince – and it was also a lot of change in attitude and behavior on our part – they became some of our strongest performers in the long run. They actually helped us to do a lot of the training, to build the relationship with the farmers. That I think was a critical turning point for us." (F)
	Less successful: No credible narrative with key stakeholders			

		Agri-T2	Agri-LS1	Agri-LS2
Characterization of stage	Growing the venture and its reach. Need to professionalize and expand structures and network.	*"The demand was there, then scaling it."* (F)		N.A.
Social capital dimensions	**Structural**			
	Successful: Establishment of central, dominant role in local network, complemented with international ties; pro-active arangement of network structure; substitution of non-aligned partners	*"So, they [government/ extension workers] saw that our system actually provided an authority in providing extension to farmers, so the extension officers of the Ministry of Agriculture became very good partners, that when it came to talking about agricultural markets and where to find the markets to advice farmers, they tell [us], 'Please talk to the farmers on our behalf.' So we became friends that way."* (F)		N.A.
	Less successful: Less dominant/central role in local network; no substitution of ineffective ties		*"We worked with middlemen. Yes, and that is another cause of failure. Yeah, we trusted so much the middlemen. Whatever, we're doing, you know, we were getting [it] from the middlemen."* (F) *"I will be the last person to bring many relatives [or] many close friends into the enterprise [again]...nobody wants to commit or to say that, 'this is how the money was used'. And now, here, you have relatives whom you cannot fight, you cannot take them to [the] police. So, it was very frustrating...so, at the end of the day the business suffers, because that money has left and, there's no way of how it's going to come back."* (F) *"We were just not important to enough to partners, and did not bring in the stakeholders."* (F)	N.A.
	Relational			
	Successful: Reciprocal and empowering relationships with key stakeholders.	*"Another group of partners are actually government extension workers. Extension service in this country has deteriorated a lot, basically due to lack of resources. Extension people don't know how to try and support to go out in the farms and visit farmers and offer advice and so on, so they're limited [and thus need Agri-T2]."* (F) *"[There was] this project [that] sought to help farmers increase the productivity of maize, then we were called to implement this...to set up our...system to provide information to farmers who produce maize, on where they can sell maize once they increased the yield of maize they want to sell. So, by participating in this program, we got funding [by international funders] to develop the platforms. So, development partners...were very key partners, therefore, in giving us supplementary resources that we didn't have to develop."* (F)		N.A.
	Less successful: Untrusted dependency relationships with key stakeholders		*"The middlemen have no fixed price, yeah, there's simply no way of going to control that...Now that fluctuation in the input price, eventually contributes to your collapse. Because you're not going to tell the supermarket that...'In this order, I'm selling at hundred, the next order two hundred and fifty, the next order...I'm giving you at 120'. It can't work."* (F) *"That element [of failure] was about this thing we call the logistics. The logistics of you know, operating a business in terms of surrounding yourself with the right people, getting proper advice. The advice, that...you need to operate, so in this regard, I'm referring to, you know, the items that we brought into the market."* (F)	N.A.
	Cognitive			
	Successful: Establishing a 'dominant paradigm/narrative'; alignment with mental frames of key stakeholders.	*"So, they [government/extension workers] promoted us also in particularly rural areas, so it was easier for us to be accepted by farmers, because the Ministry of Agriculture extension [workers] say, '[Agri-T2] are good people and they...give you information about markets, where to buy fertilizer, seed, where to sell your potatoes, where not.' So we are good partners in terms of promoting us being known."* (F) *"We have illiterate farmers, some of them who don't even have a mobile phone, but they can go to market information points and see the information, read the information on the wall, or have somebody read the information for them. We have those who have mobile phones, they can access information. We have those who listen to the radio, they can access information. We have those with internet connectivity who can access information."* (F)		N.A.
	Less successful: No credible narrative with key stakeholders		*"So, that business failed because we had the misconception that, you know, our product wants to target the high income earners. Yes, which was a mistake. Yes, because, the high-income earners, you know, they have their own preferences. And in that bracket, there are also a number of products there, as well. And it's even more difficult to try and convince them to leave what they are used to and then switch to us. You'd rather come in with, you know, something completely different with more value...and then more acceptable and even more affordable...yes, so, that's another mistake that caused our failure."* (F) *"As much as we tried to add a new value, but it could not get to the market. Yeah, because of the perceived quality in it and you know, it was like any other product that was in the market. Yes, anybody looking at it could not see why, you know, he should switch from what he currently uses to this."* (F) *"I failed to [bring in] the stakeholders."* (F).	N.A.

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2.4.1.4 Sustained growth stage (incl. decline/turnaround)

The sustained growth stage was concerned with stabilizing the growth, operations, and processes of the venture, and further growing its impact and reach. While contrasting success- (Agri-S1; Agri-S2) and failure cases (Agri-LS1; Agri-LS2) in this stage was not possible due to bankruptcy (Agri-LS1) or not having reached this stage (Agri-LS2), this stage showed a **fascinating dynamic:** the two turnaround ventures (Agri-T1 and Agri-T2), instead of directly entering from early growth into sustained growth (as Agri-S1 and Agri-S2), fell into a 'decline' stage, before then turning around into the sustained growth stage (c.f., Table 5 for evidence). **This dynamic development allowed me to contrast on two levels**: with respect to **time** (looking at the changes of the individual ventures Agri-T1 and Agri-T2 when moving from stage to stage), as well as **comparing the remaining success case** (Agri-S1) with first the 'decline' of Agri-T1 and Agri-T2 (i.e., their 'failure' period), and then later their turnaround/sustained growth (i.e., their 'success' period).

a) Decline of Agri-T1 and Agri-T2 and sustained growth of Agri-S1

Structural dimension: The successful social venture (Agri-S1) in this stage **secured its central network position, and continued the pro-active ecosystem-building**. **Capacity-building of the whole value chain** was pronounced; from 'structuring the ecosystem' to 'empowering the whole ecosystem and building new markets'; the interdependence with key stakeholders was predominant: *"One thing that cuts across these associations [is] that they are all willing to impart from us, economically et cetera.".* Key partners were positioned and enabled to manage parts of the value chain: *"These cooperatives deal with the farmers directly and then the only thing now we come in is when…you pay or when you collect all the input, that's the key thing now. So, I would say in terms of network, that's great."* (Senior strategist, Agri-S1). Furthermore, the networks of partners were pro-actively tapped, while constantly thinking about further improvements/substitutions along the value chain: *"The depots apparently have their own networks as well. Networks that are able to ensure that they have the transport systems, they know we have this number of the daily produce. So, what we need was - we tried to figure out if we can do without the depots. In the meantime, we cannot [do] without depots. There are still some challenges here on how…[to substitute them as well], because we have about two guys between us and the final consumer. We have the depots, and then we have the retailers…if we had a way of just reducing that one, I mean, to the best. But in the meantime, what we're trying to do is, we're trying to get laboratory retailers to come and just purchase from us directly. So, in that case, we're going to...figure out if we can try and reduce the number of people who are between us and the final consumer".*

(Founder, Agri-S1). As mentioned above, already in the expansion stage, Agri-S1 cut out the relevant middlemen to align incentives and secure the supply chain.

In contrast, both ventures that 'declined' in this stage assumed a **more de-central position in the network, and weakened the relationships with key actors** (e.g., farmers). Both either still heavily relied on middlemen (Agri-T2), or were again adding (non-aligned) middlemen/brokers. Agri-T1, while in the 'successful' expansion stage avoiding middlemen, later realized that a core reason for their decline in this stage might have been bringing unaligned brokers/middlemen back in: *"[Agri T1's] whole field team, all of the service extension officers that worked in rural areas with farmers producing [Agri-T1's product], basically, that whole team, or almost all of that team, was cut, and [Agri-T1] went to find brokers instead of sourcing [the product] directly in partnership with farmers. So that whole team was cut. So these are pretty critical elements. [We] went in pursuit of this very competitive retail strategy, essentially went to outsourcing everything else, and outsourcing the purchase of [the product] just to brokers. What [Agri-T1] was left with was no cash, and little competitive advantage of any kind and structure."* (CEO, Agri-T1). This went hand in hand with weakening relationships with core stakeholders due to cost-cutting measures: *"You can never lose touch with your customers, and that's on both sides of your hybrid model, right? On the [supply side] of the business, and on the [demand side] of the business, if that becomes a remote relationship, if it becomes a relationship through somebody else, then you automatically lose contact with some of your most important allies. I think that's definitely what happened to us. We lost touch with what was going on."* (Founder, Agri-T1).

On the **relational dimension**, the successful venture (Agri-S1) showed a tendency of **pro-actively enabling and governing the whole ecosystem** via different resources/mechanisms (*"We try to have influence on the whole system...it helps us to help others."* (Senior Strategist, Agri-S1)), and **growing the amount of the exchanged resources via trusted multipliers**, such as agri-dealers. Third parties (e.g., international funders) were continuously involved in safeguarding and supporting other parts of the ecosystem: *"We also want to try and strengthen them, get maybe donors who would be willing to help us [with] the skills of the farmers, to strengthen that kind of networking; we will be very glad, because those are now new areas and new challenges that we are getting into. So, we still need a lot of mentorship and capacity building, and skills. So, that's how far we've gone."*.

Furthermore, trusted partners such as coops were enabled to manage and govern farmer relationships: *"If you look at the contract, the contract is between us and the farmer. But we don't handle that contract directly...the cooperatives will identify who are the one thousand*

farmers who want like a thousand seeds each one of them, and so they are willing to do that. So, those able to get some centralized way of collecting the produce, they also…manage the inventories on their own. They are better placed than us [to decide/control] this amount of produce is for this farmer." (Founder, Agri-S1). Social control mechanisms such as peer pressure were included in order to secure reliability and effectiveness of the ecosystem and supply chain. The founder of Agri-S1 commented about the approaches Agri-S1 employed jointly with the partnering cooperatives/associations: *"They do have a control mechanism. Some of them...have these loaning schemes, I mean some of them actually have access to microfinance, where they can get some money for inputs, and then they give it to the farmer. They deal with farmers that they know and [are] aware about...So, they are well aware that this farmer is not likely to mess us up. So, if they do a contract to [sic] the farmer - if you look at even the way these cooperatives operate, the farmers themselves they are also split up into subgroups - some smaller groups. So...they guarantee each other just within...So, we know very well that you are not going to take this and sell it to somebody else, or you're not going to default in paying back because…I know your wife, I know where you stay, I know where your farm is. So, these are some of the things that are best take care of. So…that's why we decided to let somebody handle that.".* Thus, the successful venture not only sustained and enabled core relationships, but relied on **succinct governance mechanisms to ensure effective operations** (see below 'mechanisms').

In contrast, the ventures that declined (Agri-T1 and Agri-T2) displayed a **relational dimension** characterized by a (non-trusted) reactive dependency on some stakeholders, while neglecting core clientele. Rather than proactively sustaining and expanding the ecosystem, they were driven by dominating partners. As a founder of Agri-T1 described: *"We were actually going into areas and locations **based on the needs and the demands of the different development partners…**That means we have a very large, a very impressive geographical footprint around Kenya, but it also meant that we didn't have sufficient clusters or the economies of scale to make things work...I think it [a key funding relationship] actually did more harm than it did good for us...it was the first time that someone like me was dealing with someone like them…our assumption [was], 'this is the [development partner], they...surely know better than us. So we take whatever advice they give us and we must follow it.' I think for us that was the greatest call, to understand that probably no-one knows our business as well as we do, no matter where they come from...This is armchair analysis of how the business runs, not really understanding the dynamics and understanding the operating environment that was working in here. Anyway, that was a very quick lesson that we learned and that served us well now.".* The relationships with key partners, such as platform providers, were **untrusted and insecure**. In the case of Agri-T2, it had major

implications on revenue streams and development, as the founder describes: *"Now, the payment procedure is, at the end of this we know how many calls we have received, and we know the price of this call. So [we sent] an invoice to that company. Then that company said, 'I can't pay you because I've not been paid by the mobile phone service provider.' This went on for three or four months, [and] when we tried to call the mobile phone company they say, 'We don't have a contract with you. You should deal with this third company.' We were so frustrated because to put on the radio program you are paying something like US$1,000 for 15-minute program, so wanted to generate revenue to do this. That revenue is now fucked up."*.

With regard to the **cognitive dimension**, the successful venture (Agri-S1) worked based on a **shared understanding via alignment** of interests and a 'mature'/symmetrical approach towards establishing sense-making. **The process of devolution (handing over power from the central government to local authorities, especially local governors) took place during my study, and I witnessed how especially Agri-S1 tried to leverage it to its advantage**. Realizing that the interests between the local governor and his venture were naturally aligned if presented well (e.g., creating employment would look good for the local governor as well as the venture), he entered a period of 'sense-making', trying to develop a joint narrative: *"He [the governor] knows very well...that [our activities] will drive the local economy…So, if we can uplift [thousands of] farmers, I mean you can imagine how many families are going to be impacted. So, I'm glad that the government, the respective officials, are also realizing how important we are going to be in terms of helping them build their visions for the county and for the country.".* Via this approach and aligning interests, there emerged opportunities including funding: *"One thing that is coming out is that the governor himself is very interested in trying out and figuring out if he's going to be better positioned or how well he's going to help enterprises like us...He's personally very interested in a trend to mobilize the resources that might come easy, and then invest into enterprises like us."* (Founder, Agri-S1).

In contrast, Agri-T1 showed **a lack of shared understanding/narrative with key stakeholders** – quite the opposite, as its CEO reflected upon: *"One of the problems that was very apparent to me when I arrived at [Agri-T1] was that the organization had gone through a long period of over-promising and under-delivering.".* Indeed, there was a lack of joint narrative with key stakeholders, and no 'joint sense', as a co-founder remarked: *"[During] that slump period, I think we lost a lot of the relationships that we had built, the social goodwill we had established with a lot of the development agencies...the person who took over didn't quite understand how that part of the world works, [how] that whole ecosystem works. So, if*

you're not spending time [with the local chiefs and communities], if you don't understand how to do impact assessment, if you're not giving them the reporting that they want, if you don't understand how those international development five-year-project type of work, you can't really do business effectively because there's a complete mismatch between…the kind of reporting you and I do as a business person and the reporting that is needed from a development standpoint.".

b) Turnaround/sustained growth of Agri-T1 and Agri-T2

Both turnaround ventures (Agri-T1; Agri-T2) at this point **changed into a 'sustained growth mode'**, including (re-) building internal processes, the team, and external relationships, and were considered widely as successful at that stage by both experts and funders. **Interestingly, they followed a similar trajectory** as Agri-S1 (from early stage to sustained growth stage) with respect to the structural, relational, and cognitive dimensions, as it will be shown below.

With respect to the **structural dimension**, in contrast to the period of decline, both Agri-T1 and Agri-T2 assumed a **more central network position again**, pro-actively enabling the whole ecosystem, and learning from mistakes: *"We're rebuilding the...business….[this] includes extension services, collection centers, intensive support, and engaging of the farmers at the production level...It means it's [also] relationships with a lot of community-based organizations and NGOs that operate in these areas.".* Especially the relationships with key stakeholders, particularly farmers, were restored: *"I had to establish my relationship with the board, and we had to establish our internal relationships...then we immediately had to look at core customers and core suppliers and those relationships right there became life or death relationships...looking at…what's our core customer base, and then looking at our key suppliers. Some, we don't have a lot of alternatives with. Those are core relationships, so we had to rebuild those."* (CEO, Agri-T1). Additionally, in contrast to the previous phase, key multipliers were enabled to act in the name of the organization, or with regards to key activities: *"We had what we call market information points initially, now we call them market resource centers, which are...branches that we have set up. Although we have franchised most of this to local entrepreneurs…the idea is that…setting up our own branches is too costly and burdensome. However, if we can create entrepreneurs in a network with us, that is the easier way of scaling our services. Through...[this] mechanism…we get people who are willing to set up their own market resource centers or points and offer our services of market information of compiling offers and bids, [and] linking these offers and bids."* (Founder, Agri-T2). A main learning that emerged out of the turnaround was to cut out non-aligned middlemen: *"And in terms of the technology, mobile phone technology, bypass the*

third party, where we source now SMS and short calls direct [sic]. So, to go direct, we are applying to this communication commission of Kenya to get short calls directly ourselves. We're now through that part. So, that way we'll be able to control the revenue…much better…this help [to eliminate unaligned middlemen] is coming from the [major international telecommunications NGO]...that accepted to give us technical assistance to develop a better technological platform, that's going to enable us to run our market call center and the radio program...we think if that model works, it will be…something that can be replicated quite easily in other places." (Founder, Agri-T2).

Agri-T1 even went one step further, namely laying their network/ecosystem on top of the supply chain of an international organization in order to enhance their distribution and reach. Agri-T1's CEO explained: *"We're leading the development of a [product] value chain alliance with [an international NGO]. This will be a long-term thing and it's looking at the dual benefits of [product] income and pollination benefits for on-farm production across some big other value chains. So between the five or six other value chains that [our partner] works on in East Africa, they have hundreds of thousands of small-holder farmers. The purpose of this alliance...is to bring in all the partners necessary, whether it's from NGOs, financial institutions, other private sector firms, but it's [us and the partner] leading this, and we're looking at layering [our product] on top of all of these other primary value chains...[as] all of a sudden, [our product] becomes exceptionally scalable if it can be layered across all of the other value chains.".*

On the **relational dimension**, both Agri-T1 and Agri-T2 changed from non-trusted dependency relationships to reciprocal relationships dominated by empowerment rather than dependency. The CEO of Agri-T1 illustrated this point: *"Then there's a whole ecosystem of relationships on the farmer side, and the field production side of things, that are critical…Right now, building means [that] this production network is key. So that means relationships with farmers...That [also] means having a lot more intensive support to the farmers on the ground, a bit more direct management, and control over the [production tools].".* Besides this training and empowerment, Agri-T2 involved micro-entrepreneurs to further scale*: "We train them [the micro-entrepreneurs/agents] on how to do it, because we want these agents to do it the same way or according to our ideas. Then they generate revenue out of these services. So, they're not our employees or we're not paying money to operate and run them, but rather they're doing it as their own businesses, and yet in a network with us. So, in that way, we think we can scale up much faster than others."* (Founder, Agri-T2). Agri-T1 focused more on how to develop viable models to directly sustain the farmers: *"The people who helped in the business itself were organizations who financed*

farmers to buy [tools to produce our product]. So, it's more of them financing the farmer. But it's true, they needed to hear from us how viable a business it is for a farmer." (Founder, Agri-T1). This approach also involved using scalable financing structures, as one of Agri-T1's founders explained: *"This is where [the new CEO] is seeing commercial avenues for the highest market, using a bank. Pure commercial; so, regular agri-dealers. Our structure [before] has been selling NGOs to finance farmers to buy our product. It's a good market. It's steady, but it's not going to get you a million farmers. It's individual farmers buying into an equity bank loan that's scalable.".*

On the **cognitive dimension**, both Agri-T1 and Agri-T2 developed from a lacking understanding/narrative with key stakeholders to a more aligned narrative, and accountability mechanisms to align interests and narratives: *"What's great to see now is we're actually doing that again. We're getting back to the point where great relationships, good social bonds, are being constructed again, and that is really critical. At the end of the day, farmers can decide to sell [Agri-T1's product] to somebody else for a small price essentially. A lot of side selling takes place. But if you just have a great relationship with them, you could still retain them [at] a lower price because they like doing business with you, because they like who you are, they understand your problems. They feel like they're an engaged stakeholder".* (Founder, Agri-T1). The lacking understanding and trust issues (*relational dimension)* were remedied by 'painting a new picture' (i.e., narrative). The CEO of Agri-T1 illustrated this approach: *"By the time I arrived, nobody internally or externally believed any promises whatsoever [due to over-promising in the decline-phase], and so I realized that early on, and it's a fine line. You have to paint a new picture, you have to build a new vision, and you have to give people's confidence back, but it's hard to do that when nobody believes a word that you're saying. So it's very important for me to be very careful about only committing to, only promising what I knew absolutely with 100% conviction that we would actually be able to deliver. So in the beginning, that meant very simple, very small things and that's how we had to rebuild the confidence.".*

Similarly, Agri-T2 used this approach to win over farmers: *"If we have successful trades, we show them [the farmers], and so on. So, that way we can expand our network, and reach into various parts of the country, and hopefully be able to link more buyers and sellers."* (Founder, Agri-T2). Furthermore, by **(re-) building shared purpose and aligned interests** with key stakeholders, both Agri-T1 and Agri-T2 gained back trust and recognition: *"That whole idea of shared purpose. That whole idea of 'this is yours as much as it is mine.' That is coming back. I can see that turning in different terms of vibe…and people trust us [again]."* (Founder, Agri-T1). Agri-T2 was able to construct this narrative with the government by getting

involved on government boards and influencing policy (c.f., Table 5). Lastly, particularly Agri-T1 redefined its relationships especially with funders, from a naïve to a more mature positioning: *"In those negotiations [with funders], I think that entire dynamics has changed...the understanding, what we think, has changed fundamentally. The investors have all the knowledge and understanding. I think what we've learned to figure out is, we need to make sure that there's more support outside of the bargaining table, to make sure that there's a more symmetrical relationship that's reached. It's a more fair and equitable deal...That specialized expertise did not exist when we were dealing with [major funders] in 2004...further growth in the ecosystem has been a huge change, because there is now legal counsel available. That's creating more symmetry. It's creating more leverage."* (Founder, Agri-T1).

Thus, while successful ventures pro-actively sustained and grew the ecosystem, the less successful ones (i.e., Agri-T1 and Agri-T2 during the 'decline' period) were reactively adjusting to stakeholder demands, while neglecting other key stakeholders. Also, while the successful ventures tried to cut out non-aligned middlemen as much as possible, they included key multipliers (cooperatives, agri-dealers, among others) in order to scale their ventures and outputs. This changed over time, and both Agri-T1 and Agri-T2 formed similar networks approaches as the successful venture, Agri-S1.

The **interactions between the dimensions during this stage were noteworthy.** A shift in the institutional environment (devolution) led to a necessary adjustment in the structural dimension (c.f., above/Table 5: substituting central by local government partners), which was leveraged by successful venture Agri-S1 via constructing a joint narrative with the local governor (**cognitive dimension**), and bringing him to consider investment into the venture due to higher trust through alignment (**relational dimension**) (c.f., above). Furthermore, by 're-painting' a strong narrative and more mature positioning (**cognitive dimension**), especially Agri-T1 was able to adjust its terms with key funders with regards to financing and direction (**relational dimension**), and redefine the centrality of key stakeholders (**structural dimension**; e.g., by substituting or downgrading/weakening into the periphery), as the evidence in Table 5 suggests.

TABLE 5: SUSTAINED GROWTH STAGE: CHARACTERISTICS AND RELATIONSHIPS

		Agri-S1	Agri-S2	Agri-T1*
Characterization of stage	Stablizing the venture's growth, its operations and networks. Further expanding its impact and reach.	*"Most specifically...we've expanded...[further]"*. (F)	N.A.	**Phase 1: Decline:** *"It was a slump period"* (F). **Phase 2: Turnaround:** *"I think where we are at the moment is a lot of the consolidation phase. It's beginning to push a bit more of the economic viability, getting the economies of scale right."* (F) *"We've reached the highest revenues in the history of the company. Within the last six months, we've been expanding the workforce. We've built an organizational structure around processes and around clear roles, and around the right people in the right positions."* (CEO)
Social capital dimensions	**Structural**			
	Successful: Secure central network position; pro-active ecosystem-building; capacity-building for whole value chain	*"One thing that cuts across these associations [is] that they are all willing to impart from us, economically et cetera."* (F) *"These cooperatives deal with the farmers directly and then the only thing now we come in is when, I mean when...you pay or when you collect all the input, that's the key thing now. So, I would say in terms of network, that's great."* (SS) *"The depots apparently have their own networks as well. Networks that are able to ensure that they have the transport systems, they know we have this number of the daily produce. So, what we need was - we tried to figure out if we can do without the depots. In the meantime, we cannot [do] without depots. There are still some challenges here on how...[to substitute them as well], because we have about two guys between us and the final consumer. We have the depots, and then we have the retailers...if we had a way of just reducing that one, I mean, to the best. But in the meantime, what we're trying to do is, we're trying to get laboratory retailers to come and just purchase from us directly. So, in that case, we're going to...figure out if we can try and reduce the number of people who are between us and the final consumer".* (F)	N.A.	**(Phase 2: Turnaround):** *"We're rebuilding the...business....[this] includes extension services, collection centers, intensive support, and engaging of the farmers at the production level...It means it's [also] relationships with a lot of community-based organizations and NGOs that operate in these areas."* (F) *"I had to establish my relationship with the board, and we had to establish our internal relationships...then we immediately had to look at core customers and core suppliers and those relationships right there became life or death relationships...looking at...what's our core customer base, and then looking at our key suppliers. Some, we don't have a lot of alternatives with. Those are core relationships, so we had to rebuild those."* (CEO) *"It meant building new relationships with financial institutions of one kind or another that can work with farmers at financing. So we have a relationship with [a major local bank], for example. We have our partnership with [a major international funding platform], so individual organizations like that are very important."* (CEO) *"We're leading the development of a [product] value chain alliance with [an international NGO]. This will be a long-term thing and it's looking at the dual benefits of [product] income and pollination benefits for on-farm production across some big other value chains....[as] all of a sudden, [our product] becomes exceptionally scalable."* (CEO)
	Less successful: Decentral network position; weak(ened) relationships with core actors		N.A.	**(Phase 1: Decline)** *"[Agri-T1's] whole field team, all of the service extension officers that worked in rural areas with farmers producing [Agri-T1's product], basically, that whole team, or almost all of that team, was cut, and [Agri-T1] went to find brokers instead of sourcing [the product] directly in partnership with farmers. So that whole team was cut. So these are pretty critical elements. [We] went in pursuit of this very competitive retail strategy, essentially went to outsourcing everything else, and outsourcing the purchase of [the product] just to brokers. What [Agri-T1] was left with was no cash, and little competitive advantage of any kind and structure."* (CEO) *"You can never lose touch with your customers, and that's on both sides of your hybrid model, right? On the [supply side] of the business, and on the [demand side] of the business, if that becomes a remote relationship, if it becomes a relationship through somebody else, then you automatically lose contact with some of your most important allies. I think that's definitely what happened to us. We lost touch with what was going on."* (F) *"In sort of this emergency consolidation cost cutting survival stage, as a matter of necessity, any remaining external relationships were basically sacrificed or ignored."* (F)
	Relational			
	Successful: Empowerment and governance of whole ecosystem; enhanced resource exchange via trusted multipliers	*"We also want to try and strengthen them, get maybe donors who would be willing to help us [with] the skills of the farmers, to strengthen that kind of networking; we will be very glad, because those are now new areas and new challenges that we are getting into. So, we still need a lot of mentorship and capacity building, and skills. So, that's how far we've gone."* (F) *"We try to have influence on the whole system...it helps us to help others."*. (SS). *"If you look at the contract, the contract is between us and the farmer. But we don't handle that contract directly...the cooperatives will identify who are the one thousand farmers who want like a thousand seeds each one of them, and so they are willing to do that. So, those able to get some centralized way of collecting the produce, they also...manage the inventories in their own. They are better placed than us [to decide/control] this amount of produce is for this farmer; their due for payment is this."* (F) *"They do have a control mechanism...They deal with farmers that they know and [are] aware about...So, they are well aware that this farmer is not likely to mess us up."* (F)	N.A.	**(Phase 2: Turnaround):** *"Then there's a whole ecosystem of relationships on the farmer side, and the field production side of things, that are critical...Right now, building means [that] this production network is key. So that means relationships with farmers...That [also] means having a lot more intensive support to the farmers on the ground, a bit more direct management, and control over the [production tools]."* (F) *"[We're] looking for ways in which you can actually create additional employment generation downstream in the value chain. It could be in slum areas. It could be in rural areas. For me, that I think is very critical...[and] if I would go back into the history of how we started and what we did, there was a big focus on trying to [involve] women."* (F) *"This is where [the new CEO] is seeing commercial avenues for the highest market, using a bank. Pure commercial; so, regular agri-dealers. Our structure [before] has been selling NGOs to finance farmers to buy our product. It's a good market. It's steady but it's not going to get you a million farmers. It's individual farmers buying into an equity bank loan that's scalable."* (F) *"The people who helped in the business itself were organizations who financed farmers to buy [tools to produce our product]. So, it's more of them financing the farmer. But it's true, they needed to hear from us how viable a business it is for a farmer."* (F)
	Less successful: Non-trusted (reactive) relationships and dependency on key stakeholders		N.A.	**(Phase 1: Decline):** *"We were actually going into areas and locations based on the needs and the demands of the different development partners...That means we have a very large, a very impressive geographical footprint around Kenya, but it also meant that we didn't have sufficient clusters or the economies of scale to make things work... I think it [a key funding relationship] actually did more harm than it did good for us...it was the first time that someone like me was dealing with someone like them...our assumption [was], 'this is the [development partner], they...surely know better than us. So we take whatever advice they give us and we must follow it.' I think for us that was the greatest call, to understand that probably no-one knows our business as well as we do, no matter where they come from...This is armchair analysis of how the business runs, not really understanding the dynamics and understanding the operating environment that was working in here. Anyway, that was a very quick lesson that we learned and that served us well now."* (F)
	Cognitive			
	Successful: Shared understanding via alignment of interests; 'mature' approach towards sense-making	*"He [the governor] knows very well...that [our activities] will drive the local economy...So, if we can uplift [thousands of] farmers, I mean you can imagine how many families are going to be impacted. So, I'm glad that the government, the respective officials, are also realizing how important we are going to be in terms of helping them build their visions for the county and for the country."* (F) *"One thing that is coming out is that the governor himself is very interested in trying out and figuring out if he's going to be better positioned or how well he's going to help enterprises like us...He's personally very interested in a trend to mobilize the resources that might come easy, and then invest into enterprises like us."* (F)	N.A.	**(Phase 2: Turnaround):** *"What's great to see now is we're actually doing that again. We're getting back to the point where great relationships, good social bonds, are being constructed again, and that is really critical. At the end of the day, farmers can decide to sell [Agri-T1's product] to somebody else for a small price essentially. A lot of side selling takes place. But if you just have a great relationship with them, you could still retain them"* (F) *"Nobody internally or externally believed any promises whatsoever [due to over-promising in the decline-phase], and so I realized that early on, and it's a fine line. You have to paint a new picture, you have to build a new vision, and you have to give people's confidence back, but it's hard to do that when nobody believes a word that you're saying. So it's very important for me to be very careful about only committing to, only promising what I knew absolutely with 100% conviction that we would actually be able to deliver."* (CEO) *"In those negotiations [with funders], I think that entire dynamics has changed...the understanding, what we think, has changed fundamentally. The investors have all the knowledge and understanding. I think what we've learned to figure out is we need to make sure that there's more support outside of the bargaining table, to make sure that there's a more symmetrical relationship that's reached...That specialized expertise did not exist when we were dealing with [major funders] in 2004...there is now legal counsel available. That's creating more symmetry."* (F) *"That whole idea of shared purpose. That whole idea of 'this is yours as much as it is mine.' That is coming back...and people trust us again."* (F)
	Less successful: Lack of shared understanding/narrative with key stakeholders		N.A.	**(Phase 1: Decline):** *"One of the problems that was very apparent to me when I arrived at [Agri-T1] was that the organization had gone through a long period of over-promising and under-delivering."* (CEO) *"[During] that slump period, I think we lost a lot of the relationships that we had built, the social goodwill we had established with a lot of the development agencies...the person who took over didn't quite understand how that part of the world works, [how] that whole ecosystem works. So, if you're not spending time [with the local chiefs and communities], if you don't understand how to do impact assessment, if you're not giving them the reporting that they want, if you don't understand how those international development five-year-project type of work, you can't really do business effectively because there's a complete mismatch between...the kind of reporting you and I do as a business person and the reporting that is needed from a development standpoint."* (F) *"I think the person who took over [the CEO position] didn't see value in it [volunteering/sharing narratives/advice with the local community]. They just thought of this as not being called business and that does begin to affect you. When you go out to the field, you meet the officer and you say hello to the sub chief and go to the district officer and shake hands and meet people and wait for two hours for a meeting - those are really critical things to do in an emergent [venture]. If somebody comes in that has a very different orientation and thinks this is a waste of time, that automatically [will destroy] all your goodwill in the community."* (F)

* For 'turnaround' ventures, the phases 'decline' and 'success/turnaround' are indicated seperatedly

TABLE 5 (CONTINUED) : SUSTAINED GROWTH STAGE: CHARACTERISTICS AND RELATIONSHIPS

		Agri-T2*	Agri-LS1	Agri-LS2
Characterization of stage	Stablizing the venture's growth, its operations and networks. Further expanding its impact and reach.	*"So, the next stage then, say the stable growth stage ... [we] cut out these middlemen to directly have micro entrepreneurs on the ground, to work with them [instead]."* (F)	N.A.	N.A.
Social capital dimensions	**Structural**			
	Successful: Secure central network position; pro-active ecosystem-building; capacity-building for whole value chain	**(Phase 2: Turnaround):** *"We had what we call market information points initially, now we call them market resource centers, which are...branches that we have set up. Although we have franchised most of this to local entrepreneurs...the idea is that... setting up our own branches is too costly and burdensome. However, if we can create entrepreneurs in a network with us, that is the easier way of scaling our services. Through...[this] mechanism...we get people who are willing to set up their own market resource centers or points and offer our services of market information of compiling offers and bids [and] linking these offers and bids."* (F) *"And in terms of the technology, mobile phone technology, bypass the third party, where we source now SMS and short calls direct [sic]. So, to go direct, we are applying to this communication commission of Kenya to get short calls directly ourselves. We're now through that part. So, that way we'll be able to control the revenue...much better...this help [to eliminate unaligned middlemen] is coming from the [major international telecommunications NGO]...that accepted to give us technical assistance to develop a better technological platform, that's going to enable us to run our market call center and the radio program...we think if that model works, it will be...something that can be replicated quite easily in other places."* (F)	N.A.	N.A.
	Less successful: Decentral network position; weak(ened) relationships with core actors	**(Phase 1: Decline)** *"Now, we had [business] from a mobile phone service provider, not directly with us but through a third party ICT firm; that mobile phone company contracted ICT firms, who then deal with clients like us to give short calls."* (F)	N.A.	N.A.
	Relational			
	Successful: Empowerment and governance of whole ecosystem; enhanced resource exchange via trusted multipliers	**(Phase 2: Turnaround):** *"We train them [the micro-entrepreneurs/agents] on how to do it, because we want these agents to do it the same way or according to our ideas. Then they generate revenue out of these services. So, they're not our employees or we're not paying money to operate and run them, but rather they're doing it as their own businesses, and yet in a network with us. So, in that way, we think we can scale up much faster than others."* (F)	N.A.	N.A.
	Less successful: Non-trusted (reactive) relationships and dependency on key stakeholders	**(Phase 1: Decline):** *"Now, the payment procedure is, at the end of this we know how many calls we have received, and we know the price of this call. So [we sent] an invoice to that company. Then that company said, 'I can't pay you because I've not been paid by the mobile phone service provider.' This went on for three or four months, [and] when we tried to call the mobile phone company they say, 'We don't have a contract with you. You should deal with this third company.' We were so frustrated because to put on the radio program you are paying something like US$1,000 for 15-minute program, so wanted to generate revenue to do this. That revenue is now fucked up."* (F)	N.A.	N.A.
	Cognitive			
	Successful: Shared understanding via alignment of interests; 'mature' approach towards sense-making	**(Phase 2 Turnaround):** *"If we have successful trades, we show them [the farmers], and so on. So, that way we can expand our network, and reach into various parts of the country, and hopefully be able to link more buyers and sellers."* (F) *"The relationship...with the government, it has actually continued to grow where our services have been sought. At one time, I was appointed as the director of [a national Government Board] to have [it] improve its services and...that one thing...I've been wanting to develop is a warehouse receipt system. Government through the...Board has huge warehouses across the country, and for many years we encouraged the government to use these warehouses to allow farmers and traders to use these warehouses in a warehouse receipt system, but they could not agree. When I became a member of the [government] Board and I asked what I was expected to do, they said, 'Well, advise us what should we be doing.' I said, 'Oh, very good. Let's use the warehouse - let's set up a warehouse receipt system'. They said, 'Okay, let's do that then.'...So, I felt that that was a contribution, a good thing to do, and so because the government had confidence in us and they agreed to that recommendation, we set up [the] warehouse receipt...because the receipts symbolizes that there is a known product of a known quantity [and] known quality, and [that that this] is [an appropriate] store. So, somebody who is buying has confidence that 'yes this is a product that I can buy'".* (F)	N.A.	N.A.
	Less successful: Lack of shared understanding/narrative with key stakeholders		N.A.	N.A.

* For 'turnaround' ventures, the phases 'decline' and 'success/turnaround' are indicated seperatedly

2.4.2 Conditions and mechanisms

The above discussed network dynamics did not happen in a vacuum, but rather in the context of challenging conditions. Below, I will discuss the key challenges/conditions related to networks that could be identified during the study, and the respective mechanisms the ventures used to overcome these and move from stage to stage.

Challenge/condition 1: Collectivistic and redistributive expectations

A key challenge/condition that the social enterprises faced was the expectations of and the (felt) obligations towards key stakeholders, particularly family members. As the founder of Agri-S1 put it: *"Those [expectations of close family members] are things that we cannot close our eyes on.".* The founder of Agri-LS1 illustrated this point with regards to his own venture, highlighting the associated risks: *"They [close family members] don't have the slightest idea of how the venture started. And you know, the pitfalls you've run into, and the challenges you've overcome. And even the failures you've undergone in the course of running that venture - they have no slightest idea. So, you know, all they do is to come there and say, 'Okay, now this thing is an established one, we are here to eat'...and then, nobody wants to commit or to say, 'this is how the money was used'. And now, here you have relatives whom you cannot fight, you cannot take them to police...So, at the end of the day the business suffer[s], because that money has left and, there's no way of how it's going to come back."*. Successful ventures used a mechanism to overcome these challenges related to (over-) embeddedness, which I will label '**de-nepotization and catering towards local social/power dynamics'.**

Mechanism: De-nepotization and catering towards local social/power dynamics

Given the collectivistic/redistributive expectations of key stakeholders (c.f., above), in order to enhance growth and limit inefficiencies, successful social entrepreneurs employed means to 'dis-embed' from strong (family) ties, while catering to local social/power dynamics. Especially interesting was the approach of Agri-S1, which kept effective family members close and involved in the organization (i.e., involvement based on merit), while creating opportunities for non-effective family members outside the organization (i.e., avoiding nepotism). This approach facilitated good practice: *"[I] try to create opportunities for them [non-qualified family members] outside [Agri-S1]...It's something that I started implementing...because I saw a number of my friends - they literally sunk because maybe the brother took some money from the company and misused the funds and there's no [way to]...take his brother to prison…So, if somebody messes up in the company, there are consequences for that. The consequences which may not be available [regarding] your*

cousin, your brother, or your sister...[thus] I've tried to link them up with other parties, so they're working for them so those guys...[can more effectively] control them…What matters, really, is if somebody just wants a place to work and get his income, so if you can address that problem for this guy or for this lady, then you are better off." (Founder, Agri-T1).

While there were challenges to this approach, such a issues regarding the justifiability towards these stakeholders, and while it came with other strings attached, the founder of Agri-S1 safeguarded this approach: *"It [has] certainly given me…a number of [headaches], there are people who look at me like a bad character who...cannot help out your sister or your brother...[but] I mean [this is]...just how to run this thing and we could succeed…But...this is [also] a tit for tat…So, it's just balancing that.".* In contrast, well-suited friends and relatives were hired based on merit and seen as valuable assets: *"In as much as I did this…[I also brought] very good friends into the enterprise, but it was because they…sacrificed a lot. And they knew exactly where we are coming from…a relative or any other friend who…purposely comes there to wreck or to eat, yeah, we've seriously avoided that...But [if] I get somebody who's very competent to do the job. [Then] yes. Interestingly we're still friends and…they're doing this job as a full time activity right now…If anything goes wrong…I'll hold them responsible…They feel and they know they have a big part to play in this thing. And they are not going to do anything to make this thing fail in any way.".*

This loyalty and strong bonding with close people that contributed valuable resources, rather than simple nepotism, was also visible in the case of Agri-T1, as one of its founders explained: *"We've had some very long-term relationships with some people. For example, the person who supplies us with timber to make the beehives, that person has now been supplying to us for over 11 years. We have been late in our payments...and this person has stayed with us through thick and thin…He's been willing to accept every excuse we're giving him on why we haven't paid on time…That doesn't happen in any regular business outside and this is a different, small, little Nairobi. But if it wasn't for them, we wouldn't actually be here. This was not because of the credibility of our business. It is about personal relationships.".* Indeed, sometimes the strong local embedding also meant to proactively cater towards the local power dynamics, for example by adapting training programs to include government officials as source of knowledge and authority (c.f. above for evidence).

This approach of 'de-nepotization and appreciating local power dynamics' was in stark contrast to the approach of less successful venture Agri-LS1, which was dominated by nepotism that drained major resources**:** *"There's the element of cash flow…it was an enterprise that had too many relatives inside it...And each one of them, you know, felt that,*

you know, 'this thing is ours and we could easily walk with cash', you know, without proper accounting for every single cent that left the enterprise. And that, you know...eventually brought that enterprise down to its knees." (Founder, Agri-LS-1).

Thus, while the less successful venture was constrained by over-embeddedness and a 'dark side' of social capital, the mechanism/approach of 'de-nepotization and effectively catering local social/power dynamics' appeared to be an effective mechanism to positively influence network dynamics.

Challenge/condition 2: Lack of existing ecosystems

A universal **challenge** for all social enterprises in my study was to build, manage, and govern their ecosystems/networks proactively. A lack of existing ecosystems (*"When we first started...there was no ecosystem."* (Founder, Agri-T1)) and local capacity became apparent with issues such as the expertise of government extension workers: *"Extension service in this country has deteriorated a lot, basically due to lack of resources. Extension people don't know how to try and support to go out in the farms and visit farmers and offer advice and so on, so they're limited.".* (Founder, Agri-T2). This necessitated organizations to engage in pro-active network management, in order to balance the void: *"The fact that we don't have many support structures here, not much we can draw from…makes it even more important to have good contacts, to have good partners, to be aware of how to coordinate them."* (Senior Strategist, Agri-S1).

During my study, I found that the dynamic nature, both horizontally (across the ecosystem/value chain), as well as over time (over lifecycle stages) of creating and managing the network/ecosystem and scaling while being locally embedded, **necessitated one core ability and three mechanisms/approaches** (in addition to the mechanism mentioned above) **for ventures to be able to adapt their networks from stage to stage, and ultimately perform.** Namely, the **ability** of the venture/its individuals **to manage and govern the network ('orchestrability')**; and the mechanisms of 'capacity building'; 'embedded disembedding'; and 'pro-active governance'. Following the extant literature (e.g., McAdam et al., 2001), I contend that mechanisms are part of broader logics and thus potentially complement or build on each other, forming part of a bigger whole. Thus, I summarized these three mechanisms under the umbrella-logic of 'pro-active platform- / ecosystem-building'. In the following, I will analyze this ability, as well as the mechanisms.

Ability to orchestrate ('Orchestrability')

The ability of the founders and core team to pro-actively lead and build relationships both internally and externally emerged as a main feature of the successful ventures, while the less successful ones lacked this ability, as it will be shown below.

With respect to the **internal dimension**, the motivation and recruitment of the right team and Board of Directors was a key element of **successful ventures**, and the agency of the respective organizational leaders became visible with regards to organizational and network development, particularly in turnaround-ventures: *"How you manage teams, how you motivate people, how you build a sense of purpose, a shared vision. All of those things which I invested very heavily in the first two years to establish, where employees were willing to work extra hours…and engage with stakeholders…They were willing to really focus on what needed to get done to meet the very ambitious deadlines and targets we had. That...[in the decline stage] was a very transactional relationship - 'You're an employee, I'm the employer' - and I think that…was to the detriment of our organization…when I look at what [the new CEO] is doing, I definitely see that's coming back to where it used to be. It's sometimes...very small things that are needed to make sure that people feel like they're a part of the team. I think he's got a natural instinct, having run other businesses, to actually focus on those small things…the stages are clearly demarcated based on the leadership of the company at that time."* (Founder, Agri-T1). On the **external dimension**, it emerged that key individuals within the organization (usually at the beginning the original founders, later the key team) in successful ventures were apt in their ability to build ties. The CEO of Agri-T1 described: *"He's [the original founder] very good at building the relationships with NGOs and development agencies. That's what led to a lot of that initial growth. It was NGOs and other large donors funding [Agri-T1's] work in the field. So those were critical relationships that developed. Of course, obviously, with the network of small-holder farmers, those are external relationships as well, and that were critical in [Agri-T1's] early stage, going hand in hand with the donor money."*.

The interaction between the two dimensions, internal and external, materialized as interesting theme. The successful social ventures showed a tendency to build **internal capacity to cater to external relationships**. For example, the CEO of Agri-T1 described ways on how this internal capacity was (re-build) in order to be able to effectively build and leverage networks: *"I had to rebuild all the relationships starting internally. **You can't build external relationships until you're solid on your internal relationships**. As soon as we started getting a team back together...we immediately started leveraging that to go rebuild external relationships...So it's very important for me to be very careful about only committing to, only promising what I knew absolutely with 100% conviction that we would actually be*

able to deliver…For example, in the carpentry workshop, they had been [asking for] a first aid kit there for two years…I promised it and two weeks later, they got it and so we built very small steps like that. Then that's how we had to continue as we rebuilt external relationships. It's small things, very small deadlines, small deliverables, small value stuff. As we did that successfully, then the confidence started to come back and...then we were able to build that internally, which developed our capabilities to deliver better...to our external partners and we could start promising slightly bigger things…slightly more complicated things, and it became this iterative process of promising, delivering, building the confidence to the point where now it's become an important internal cultural thing that we have to deliver what we say we're going to deliver...and now, it's enabling us to really build some of these...big partnerships that we're now establishing.".

In contrast, the **less successful ventures** appeared to lack this ability, both internally and externally. With respect to Agri-LS2, the lack in the internal dimension led to a lack in the external dimension: *"We were all science majors, we didn't necessarily have supplementary skills or knowledge to complete the full picture, so I would say I've learned a lot about how to build a strong team, what are things to look for in team members, how to deal with big decisions, like which organizations to partner with, which funder to use funding from, how to make those decisions."* (Founder, Agri-LS2). Another founder of Agri-LS2 related this directly to performance/growth: *"[A] challenge with moving on I think is being able to build a strong [team/network] that each has maybe different levels of expertise, and I think the problem with the team we had before was [lack of] other qualified people who could fill in the gaps that we have."* (Founder, Agri-LS2). In a similar vein, the CEO of Agri-T1 reflected on the period of decline at his organization: *"A lot of the other relationships were basically sacrificed or ignored, right? Then when the next leadership came in sort of this emergency consolidation cost cutting survival stage, as a matter of necessity, any remaining external relationships were basically sacrificed or ignored.".*

However, while the upsides of this ability became apparent throughout my study, there were also downsides, such as a dependency on key individuals. For example, the challenge that presented itself at Agri-T1 was how to transfer an individual ability into an organizational ability, especially regarding founder succession: *"We always get into the situation [that] the social entrepreneurs...are almost indistinguishable from the social enterprise and there's a personality, good or bad, that's created around the social entrepreneur, which removes the focus on the social enterprise sometimes. I do [remember] the loss of relationships because people said, 'Well, [the original founder] is no longer involved so we don't know what is happening with this organization. We're not sure whether*

we can continue working with them. We're not sure we want to provide credit, etc.' I think that's something we all need to reflect on, because there are assumptions that the succession planning [is a risk] that's a very basic thing in business. Somehow, we think social enterprise is exempt from this and I think that is very difficult." (Founder, Agri-T1).

Thus, a particular ability emerged as a key condition/ability for the social ventures to grow and develop their networks, but also showed risks related to sustainability if not transferred from individual to organization. In successful cases, in early stages this **ability was embodied by key individuals** such as the original founder (e.g., Agri-S1), while in later stages it evolved more and more into an **organizational ability** (e.g., Agri-T1). I will label the particular organizational ability to build, leverage, and effectively orchestrate internal and external networks/ecosystems 'orchestrability' (c.f., 'discussion' for a differentiation from existing concepts such as 'leadership').

Pro-active platform-/ ecosystem- building

As discussed above, the lack of effective institutions and ecosystems was a key challenge for the social enterprises in my study. However, **all ultimately successful ones** (Agri-S1; Agri-S2; Agri-T1; Agri-T2) turned this into an advantage by pro-actively creating effective networks, and positioning themselves at the center. Interestingly, the successful ventures tended to directly or indirectly influence big parts of the broader ecosystem/supply chain, not only direct suppliers and consumers. As the founder of Agri-T2 explained: *"It's about looking at the whole value chain of the agriculture, from production to marketing...after they produce, then what? They have no storage, farmers are stuck, their products rot, and it discourages farmers from [it], but if we can develop markets that can help link farmers to markets for better prices, we think that's the incentives that farmers need to increase production...so, we really believe that developing [a] market is the key to getting agricultural growth."* (Founder, Agri-T2). Introducing discipline into the value chain helped successful ventures to secure operations, and bind stakeholders closer together. The founder of Agri-S1 explained: *"We try to train discipline in the [whole] value chain. And that has come about by way of telling them that, 'You see, don't just wake up one morning and say that you want to make money without telling us why. Just, you treat this thing…with utmost discipline. Just discipline yourself.'"*. In contrast, the **less successful ventures** showed a lack of pro-active ecosystem building and management approaches, and were only peripherally, if at all, involved in local capacity building. As the founder of Agri-LS1 highlighted: *"I did not involve a lot of stakeholders when I started [Agri-LS1]. There are not many stakeholders there. Because, I thought that he introduces me who had the listing and once I have the product and push it in the market, it will sell. But that was a mistake. So, I failed to bring in the stakeholders…So,*

that is also another factor that made this thing not work. Failing to bring in the critical stakeholders.".

In the following, I will briefly sketch the **mechanisms**/dimensions that I identified with respect to pro-active ecosystem-building, **namely 'capacity building/leveraging local resources', 'embedded disembedding', and 'pro-active governance'.**

Mechanism 1: Capacity building and leveraging local resources
Given the lack of local capacity (c.f., above), **the (ultimately) successful social entrepreneurs** supported their key stakeholders (especially farmers) directly (e.g., via guaranteed purchase of the produce) or indirectly (e.g., via third party funders) in order to enable them to get involved in the value chain, and thus be able to buy or sell their products; they therewith positioned themselves at the center of the ecosystem. On the supply-side, direct means included guaranteeing to purchase the produce of the local farmers and training them in how to use the products. A founder of Agri-T1 illuminated the relevance of guaranteeing prices to both the venture and the farmers: *"To be able to make sure that a beehive is valuable, we must purchase the honey because what you don't want is for the farmer to end up with a dead asset. He is making much honey, but what would he do with it, who's going to buy it? So, we add value to the hive by guaranteeing to buy it. So, we have to do the honey sales."*. Training, another direct means of support/capacity building, was used as both as a means for quality control, as well as to open up new markets. The founder of Agri-S1 illustrated this: *"We have to...try and come in and help these farmer groups out in capacity building...and teaching them on how well they can do the dehydration. So, we have that in terms of quality, in terms of dehydrated mushrooms...The only challenge they were facing before was lack of market for their mushrooms."*. On the demand side, direct means included packaging to fit local income streams (e.g., sachets), and creating local jobs: *"That means more packing of [our product] in sachets, getting single price points and looking for ways in which you can actually create additional employment generation in the value chain. It could be in slum areas. It could be in rural areas. For me, that I think is very critical."* (Founder, Agri-T1).

Indirect means of building capacity of key stakeholders (especially farmers) included deals with development partners, which then funded the farmers. The founder of Agri-T2 described how a specific project led to funding for both his venture, as well as returns for participating farmers: *"Development partners, some of them give us funding to develop the platforms, money to engage experts...This program sought to help farmers increase the productivity of maize."*. A founder of Agri-T1 further highlighted this point, while stressing

the complexity of organizing this kind of ecosystem: *"We also partnered to finance farmers. So, it wasn't really funding to us; it was funding to the farmer to buy our product. So, we really linked it, so there was kind of an amorphous definition of what exactly is [a] grant. Is it the grant into [us], or was it a grant to the farmer, our buyer, where we just intermediately link them to finance to buy our product? The world was happy with that, because they finance the social part [of our venture], and they finance the farmer."* However, the constant search and development of additional partnerships had been a key element for the ventures. Agri-T1's CEO emphasized: *"It means [constantly] building new relationships with financial institutions of one kind or another that can work with farmers at financing. So we have a relationship with [a big local bank] for example. We have our partnership with [a big international funding platform] - so individual organizations like that are very important.".* Thereby, leveraging local resources and capabilities, and building on these rather than substituting them, proved valuable for all successful ventures. The founder of Agri-S1 showcased his approach: *"Bringing in a sustainable model, something that involves the community themselves because…the solutions to these communal problems are among them…[they are] never from somewhere, it's just within…my argument was, now let me see how we can use these people down there so that you mobilize them to solve their own problems.".*

The **less successful ventures** showed a lack of pro-active involvement in the ecosystem/more holistic capacity building; the founder of Agri-LS2 critically reflected: *"Although the residents were very welcoming of the product, we did foresee challenges in how we would be able to massively distribute them, in how the cost structure would be shared, although the cost is minimal there still is cost in distributing, and then, who should bear the burden of building these structures, and if they were purchased by the family...the second challenge we faced was really…that they actually buy from us.".* In a similar vein, another founder of Agri-LS2 remarked: *"To get buy-in from someone else, actually on the ground, and to get them to be excited and passionate about it…can be really tough.".* Especially visible was the difference at the turnaround ventures that showed variation over time with respect to their role as capacity- and ecosystem- builder. A founder of Agri-T1 detailed the negative implications of neglecting the pro-active capacity- and ecosystem-building during the decline stage: *"That person [former CEO] didn't understand how the NGO environment works…if you're not reaching out to donors and MFIs, then you don't have growth on the [distribution] business side...during that slump period, I think we lost a lot of the relationships that we had built, their social goodwill we had established with a lot of the development agencies.".* In addition to neglecting key stakeholders, Agri-T1 during its decline-period experienced the reverse situation of pro-active ecosystem management;

driven by outside funders, it reactively followed their lead: *"Some time a little bit before [the original founder] left, they established [Agri-T1] up in Tanzania as well, as a separate organization. This was done with funding from the [major development funder]...Somehow, all those good intentions didn't last very long, and I think within 12 months or 18 months, there'd been a huge fight...In hindsight [the issue was that] basically the [international funder] people dictated a lot of corporate strategy without having any on the ground sense of things."* (CEO, Agri-T1).

Thus, the pro-active network management, particularly with respect to building capacity for key stakeholders, and leveraging key local resources, stuck out as a core mechanism.

Mechanism 2: Embedded disembedding

As the evidence below and in Table 6 shows, all ultimately successful ventures in my study (Agri-S1; Agri-S2; Agri-T1; Agri-T2) used an effective mechanism to secure continued local community buy-in/local embedding while scaling up. They kept strong local ties via enabling key partners (e.g., local agents, micro-entrepreneurs, cooperatives), while expanding their reach and working with global partners. By substituting non-aligned partners such as middlemen with aligned partners such as cooperatives, they stayed locally embedded while growing; thus, I will call this mechanism **'embedded disembedding'**. A key feature of this mechanism was the focus on (aligned) local multipliers (e.g., cooperatives) as partners, while at the same time cutting out middlemen. The founder of Agri-S1 explained the rationale*: "We've always been very wary of middle men, because we are aware that is what has caused many, many problems for consumers, because...most of them take advantage. And they increase their margins the way they want. And that's something that we have tried to avoid. Yes...our concept is eliminating middlemen. So that we deal directly with the farmers through the farmer cooperatives, which they themselves own and control. They elect the officials there. So it is them who run the farmer cooperatives. We deal with them directly...through the Farmer's Association...so that we can increase productivity.".* Indeed, during the period of my study, I witnessed the dynamic development at some ventures towards enabling local associations and cooperatives. For example, the founder of Agri-S1 described the change from working directly with farmers to enabling partners like cooperatives to work with them: ***"There's a lot that changed [since our last interview a year ago]***. *Last time, we were...working with the farmers one-on-one. But...we realized that there's more power in just dealing with the farmers through their respective cooperatives. So, we decided that we're not going to deal with the individual farmers any longer. So, we decided to...get the cooperatives now to manage the...issues related to people doing production...[and] dealing with*

the...farmers itself [sic]....We also want to try and strengthen them [the farmers], get maybe donors who would be willing to help us [building] the skills of the farmers.".

Thereby, while the general mechanism/logic appeared to resemble across the (ultimately) successful ventures (c.f., above and Table 6), they used different variations of **micro-enablement, including micro-franchising and networked models**. Agri T2 and Agri-S2, for example, used a networked approach of entrepreneurial agents; a funder of Agri T2 described: *"The agents were selling the [product of Agri-S2] because...the farmers who were selling...can coordinate with the company to have the orders placed with their neighbor farmers and get a commission. So, in that way your scale will be directly linked to the…entrepreneurial abilities of your farmers. There the risk is that you don't have entrepreneurial farmers...[but when this model works] it grows virally...because it's going from person to person, small farmer to small farmer."* (Funder, Agri-S2). Agri-T1 used micro-franchising in order to enable individuals while enabling scale: *"We're setting up micro-franchises. We're pitching to a farmer, a group. Buy 20 hives. Here's your financing. We'll guarantee we buy the [product]...It's a lifelong business, and it's a productive asset for your lifetime. Was that a help to us? We created it. We got them engaged in that...One of the first successful micro-franchises is quite a breakthrough as well...I think by dealing with equity and making a beehive viable by any individual, not just collective community groups funded by an NGO, is the breakthrough."* (Founder, Agri-T1). In addition, and beyond the activities of the other ventures, Agri-T1 developed an approach to multiply their distribution by layering their value chain on top of existing value chains of big international NGOs, in order to reach more smallholder farmers, and scale their production (c.f., Table 6 for evidence).

While the (ultimately) successful ventures focused on enabling entrepreneurial agents/franchisees and cutting out unaligned middlemen, the **less successful ventures** did not follow this approach, and often relied on unaligned middlemen. As the founder of Agri-LS1 admitted, this could directly be linked to the venture's failure: *"We worked with middlemen. Yes, and that is another cause of failure. Yeah, we trusted so much the middleman. Whatever, we were doing, you know, we were getting [it] from the middlemen. Yes, you know, the middlemen have no fixed price, yeah, there's simply no way of going to control that…that fluctuation in the input price, eventually contributes to your collapse.".* Agri-T1, during its decline stage, showed an interesting **dynamic development, which saw brokers being introduced for a short period of time, while cutting out aligned employees/stakeholders:** *"[Agri-T1]'s whole field team, all of the service extension officers that worked in rural areas with farmers...almost all of that team was cut and [we] went to find...brokers instead of sourcing [the product] directly in partnership with farmers. So that*

whole team was cut…What [Agri-T1] was left with was no cash and little competitive advantage of any kind and structure." (CEO, Agri-T1). Agri-T2 faced similar dynamics when relying on unaligned middlemen during its decline period, which led to severe consequences on the income side, and it ultimately suspended the relationship during the turnaround stage (c.f., evidence above and in Table 6).

Thus, while the successful ventures (and turnaround ventures during their success-periods) turned out to rely on micro-enablement and cutting out unaligned middlemen, less successful ventures (and turnaround ventures during their decline periods) appeared to rely on unaligned middlemen or other unaligned dependency-partners.

Mechanism 3: Pro-active governance across the whole value chain
As discussed above, the successful ventures in my study pro-actively orchestrated networks, and created and/or enabled whole ecosystems. It emerged that they used social control mechanisms to keep them together; for example, via holding farmers accountable to their respective neighbors and communities. While this aspect is arguably linked to the 'selection' of network partners and employees (e.g., hiring based on merit rather than nepotism), in this part I will focus on the actual governance mechanisms that were employed.

The **successful ventures** held people accountable within the value chain by working with key partners in the field, particularly cooperatives. The founder of Agri-S1 described their process of holding people accountable within the value chain: *"[Before, we just did]...a direct contract to the farmer but...eventually we decided, well let's set impart the cooperatives. It's better if the cooperatives [are involved], so that they are ready to address some of those social issues that arise from the ground…I think the cooperatives are a better place for dealing [with] them...they do have a control mechanism. Some of them have these loaning schemes…[and] actually have access to microfinance, where they can get some money for inputs, and then they give it to the farmer. They deal with farmers that they know and are aware about, and maybe their history. So, they are well aware that this farmer is not likely to mess us up...they guarantee each other just within...So, we know very well that you are not going to take this and sell it to somebody else or you're not going to default in paying back because...I know your wife, I know where you stay, I know where your farm is...that's why we decided to let somebody handle that.".*

In a similar vein, the CEO of Agri-S1 illustrated how the social control mechanisms were practiced by his venture, using self-regulated local groups: *"There's also something very interesting, our network we have in coastal province...[where] they don't have cooperative*

movements...But there was...[an]...established agency which is more or less a village bank...It's a variant of the circles of the savings cooperative...they are not governed by statutory guidelines. They are self-regulated...They are like micro-finance. And these farmers do not have access to the social training and support that formal cooperatives do have from the...government. So, a lot of the success of this cooperative relies more on what you are calling here the social sanctions...So, it has been successful because of that strong social fabric they have...There are no strong contract mechanisms. But it works for us in the social sanction. Now what are [they] doing? They are buying the products from us and they are distributing it [sic] to the members. They are collecting money from the members. They are paying. So, it works really well, and training becomes easy, because we organize to go and visit them when they have their monthly meeting...Then we have a session, to channel them through our training." (CEO, Agri-S2).

In contrast, this mechanism was not observable at the **less successful ventures**.

TABLE 6: EVIDENCE FOR MECHANISMS AND CONDITIONS

	Successful	Less successful (incl. 'decline'-period of turnaround ventures)
Condition/challenge 1: Collectivistic and redistributive expectations "They [close family members] don't have the slightest idea of how the venture started. And you know, the pitfalls you've run into, and the challenges you've overcome. And even the failures you've undergone in the course of running that venture - they have no slightest idea. So, you know, all they do is to come there and say, 'Okay, now this thing is an established one, we are here to eat'…and then, nobody wants to commit or to say, 'this is how the money was used'. And now, here you have relatives whom you cannot fight, you cannot take them to police…So, at the end of the day the business suffer[s], because that money has left and, there's no way of how it's going to come back." (F, Agri-LS1) "Those [expectations of close family members] are things that we cannot close our eyes on." (F, Agri-S1)	**De-nepotization and catering towards local social/power dynamics** "[I] try to create opportunities for them [non-qualified family members] outside [Agri-S1]…It's something that I started implementing…because I saw a number of my friends - they literally sunk because maybe the brother took some money from the company and misused the funds and there's no [way to]…take his brother to prison…So, if somebody messes up in the company there are consequences for that. The consequences which may not be available [regarding] your cousin, your brother, or your sister…[thus] I've tried to link them up with other parties so they're working for them so those guys…[can more effectively] control them…What matters really is if somebody just wants a place to work and get his income, so if you can address that problem for this guy or for this lady, then you are better off." (F, Agri-S1). "It [has] certainly given me…a number of [headaches], there are people who look at me like a bad character who…cannot help out your sister or your brother…[but] I mean [this is]…just how to run this thing and we could succeed…But…this is [also] a tit for tat…So, it's just balancing that." (F, Agri-S1). "In as much as I did this…[I also brought] very good friends into the enterprise, but it was because they…sacrificed a lot. And they knew exactly where we are coming from…a relative or any other friend who…purposely comes there to wreck or to eat, yeah, we've seriously avoided that…But [if] I get somebody who's very competent to do the job. [Then] yes. Interestingly we're still friends and…they're doing this job as a full time activity right now…If anything goes wrong…I'll hold them responsible…They feel and they know they have a big part to play in this thing. And they are not going to do anything to make this thing fail in any way." (F, Agri-S1). "We've had some very long-term relationships with some people. For example, the person who supplies us with timber to make the beehives, that person has now been supplying to us for over 11 years. We have been late in our payments…and this person has stayed with us through thick and thin…He's been willing to accept every excuse we're giving him on why we haven't paid on time…That doesn't happen in any regular business outside and this is a different, small, little Nairobi. But if it wasn't for them, we wouldn't actually be here. This was not because of the credibility of our business. It is about personal relationships." (F, Agri-T1).	"There's the element of cash flow…it was an enterprise that had too many relatives inside it…And each one of them, you know, felt that, you know, this thing is ours and we could easily walk with cash, you know, without proper accounting for every single cent that left the enterprise. And that, you know…eventually brought that enterprise down to its knees." (F, Agri-LS1).
Condition/challenge 2: Lack of existing ecosystems "When we first started…there was no ecosystem." (F, Agri-T1). "Extension service in this country has deteriorated a lot, basically due to lack of resources. Extension people don't know how to try and support to go out in the farms and visit farmers and offer advice and so on, so they're limited.". (F, Agri-T2). "The fact that we don't have many support structures here, not much we can draw from…makes it even more important to have good contacts, to have good partners, to be aware of how to coordinate them." (SS, Agri-S1).	**Orchestrability:** "How you manage teams, how you motivate people, how you build a sense of purpose, a shared vision. All of those things which I invested very heavily i "I had to rebuild all the relationships starting internally. You can't build external relationships until you're solid on your internal relationships. As soon as we started getting a team back together…we immediately started leveraging that to go rebuild external relationships…So it's very important for me to be very careful about only committing to, only promising what I knew absolutely with 100% conviction that we would actually be able to deliver…For example, in the carpentry workshop, they had been [asking for] a first aid kit there for two years…I promised it and two weeks later, they got it and so we built very small steps like that. Then that's how we had to continue as we rebuilt external relationships. It's small things, very small deadlines, small deliverables, small value stuff. As we did that successfully, then the confidence started to come back and…then we were able to build that internally, which developed our capabilities to deliver better…to our external partners and we could start promising slightly bigger things…slightly more complicated things, and it became this iterative process of promising, delivering, building the confidence to the point where now it's become an important internal cultural thing that we have to deliver what we say we're going to deliver…and now, it's enabling us to really build some of these…big partnerships that we're now establishing." (CEO, Agri-T1).	"We were all science majors, we didn't necessarily have supplementary skills i knowledge to complete the full picture, so I would say I've learned a lot about how to build a strong team, what are things to look for in team members, how to deal with big decisions, like which organizations to partner with, which funder to use funding from, how to make those decisions." (F, Agri-LS2) "[A] challenge with moving on I think is being able to build a strong [team/network] that each has maybe different levels of expertise, and I think the problem with the team we had before was [lack of] other qualified people who could fill in the gaps that we have." (F, Agri-LS2) "A lot of the other relationships were basically sacrificed or ignored, right? Then when the next leadership came in sort of this emergency consolidation cost cutting survival stage, as a matter of necessity, any remaining external relationships were basically sacrificed or ignored." (F, Agri-T1) "We always get into the situation [that] the social entrepreneurs…are almost indistinguishable from the social enterprise and there's a personality, good or bad, that's created around the social entrepreneur which removes the focus on the social enterprise sometimes. I do [remember] the loss of relationships because people said, 'Well, [the original founder] is no longer involved so we don't know what is happening with this organization. We're not sure whether we can continue working with them. We're not sure we want to provide credit, etc'. I think that's something we all need to reflect on because there are assumptions that the succession planning [is a risk] that's a very basic thing in business. Somehow, we think social enterprise is exempt from this and I think that is very difficult." (F, Agri-T1).

TABLE 6 (CONTINUED) : EVIDENCE FOR MECHANISMS AND CONDITIONS

	Successful	Less successful (incl. 'decline'-period of turnaround ventures)
	Pro-active platform-/ ecosystem- building: "We had to create the ecosystem ourselves... I wish I'd had it, I would say five years of your blood, sweat and tears, and probably...a few debts because [it wasn't there]... it's kind of lonely except for the people..inside it's tough." (F, Agri-T1). "We try to train discipline in the [whole] value chain. And that has come about by way of telling them that, 'You see, don't just wake up one morning and say that you want to make money without telling us why. Just, you treat this thing… with utmost discipline. Just discipline yourself.'" (F, Agri-S1). "It's about looking at the whole value chain of the agriculture, from production to marketing...after they produce, then what? They have no storage, farmers are stuck, their products rot, and it discourages farmers from [it], but if we can develop markets that can help link farmers to markets for better prices, we think that's the incentives that farmers need to increase production...so, we really believe that developing [a] market is the key to getting agricultural growth and so that we keep working on this that way." (F, Agri-T2).	
	Capacity building and leveraginge local resources: "To be able to make sure that a beehive is valuable, we must purchase the honey because what you don't want is for the farmer to end up with a dead asset. He is making much honey, but what would he do with it, who's going to buy it? So, we add value to the hive by guaranteeing to buy it. So, we have to do the honey sales." (F, Agri-T1). "Development partners, some of them give us funding to develop the platforms, money to engage experts...This program sought to help farmers increase the productivity of maize." (F, Agri-T2). "We have to...try and come in and help these farmer groups out in capacity building...and teaching them on how well they can do the dehydration. So, we have that in terms of quality, in terms of dehydrated mushrooms...The only challenge they were facing before was lack of market for their mushrooms." (F, Agri-S1). "That means more packing of [our product] in sachets, getting single price points and looking for ways in which you can actually create additional employment generation in the value chain. It could be in slum areas. It could be in rural areas. For me, that I think is very critical." (F, Agri-T1). "It means [constantly] building new relationships with financial institutions of one kind or another that can work with farmers at financing. So we have a relationship with [a big local bank] for example. We have our partnership with [a big international funding platform] - so individual organizations like that are very important." (CEO, Agri-T1). "Bringing in a sustainable model, something that involves the community themselves because…the solutions to these communal problems are among them…[they are] never from somewhere, it's just within…my argument was, now let me see how we can use these people down there so that you mobilize them to solve their own problems." (F, Agri-S1). "We also partnered to finance farmers. So, it wasn't really funding to us; it was funding to the farmer to buy our product. So, we really linked it, so there was kind of an amorphous definition of what exactly is [a] grant. Is it the grant into [us], or was it grant to the farmer, our buyer, where we just intermediately link them to finance to buy our product. The world was happy with that, because they finance the social part [of our venture] and they finance the farmer." (F, Agri-T1).	"Although the residents were very welcoming of the product, we did foresee challenges in how we would be able to massively distribute them, in how the cost structure would be shared, although the cost is minimal there still is cost in distributing, and then, who should bear the burden of building these structures, and if they were purchased by the family...the second challenge we faced was really...that they actually buy from us." (F, Agri-LS2). "To get buy-in from someone else, actually on the ground and to get them to be excited and passionate about it…can be really tough." (F, Agri-LS2) "That person [former CEO] didn't understand how the NGO environment works…if you're not reaching out to donors and MFIs, then you don't have growth on the [distribution] business side…during that slump period, I think we lost a lot of the relationships that we had built, the social goodwill we had established with a lot of the development agencies." (F, Agri-T1) "Some time a little bit before [the original founder] left, they established [Agri-T1] up in Tanzania as well, as a separate organization. This was done with funding from the [major development funder]...Somehow, all those good intentions didn't last very long, and I think within 12 months or 18 months, there'd been a huge fight...In hindsight [the issue was that] basically the [international funder] people dictated a lot of corporate strategy without having any on the ground sense of things." (CEO, Agri-T1)
	Embedded disembedding: "We've always been very wary of middle men because we are aware that is what has caused many, many problems for consumers, because…most of them take advantage. And they increase their margins the way they want. And that's something that we have tried to avoid. Yes…our concept is eliminating middlemen. So that we deal directly with the farmers through the farmer cooperatives, which they themselves own and control. They elect the officials there. So it is them who run the farmer cooperatives. We deal with them directly…through the Farmer's Association…so that we can increase productivity." (F, Agri-S1). "At the scaling level we are also working with distribution outlets. So we're working with the cooperatives movements for instance to access the market because our production has to be driven by the market demand or it won't make business sense if we produce…as we are scaling we need to be responding to the challenges facing the farmers. The way to access that information is through bodies like those, like the cooperatives." (CEO, Agri-S2). "We have given up on these firms [brokers]. We think that we're not going to succeed that way by relying on their services … So, hence, the desire to build our own capacity to access a short calls, to control our own revenue and that sort of thing. So, that is the result of our experience, bad experience from failure to get a share of the revenue that we're looking for." (F, Agri-T2). "There's a lot that changed [since our last interview]. Last time, we were…working with the farmers one-on-one. But…we realized that there's more power in just dealing with farmers through their respective cooperatives. So, we decided that we're not going to deal with the individual farmers any longer. So, we decided to…get the cooperatives now to manage the…issues related to people doing production…[and] dealing with the…farmers itself [sic]….We also want to try and strengthen them [the farmers], get maybe donors who would be willing to help us [building] the skills of the farmers." (F, Agri-S1). "If we can create our entrepreneurs in a network with us, that is the easier way of scaling our services...through these…mechanisms…we get people who are willing to set up their own market resource centers..We train them on how to do it because we want these agents to do it the same way…Then they generate revenue out of these services. So, they're not our employees or we're not paying money to operate and run them but rather they're doing it as they're own businesses and yet in network with us. So, in that way we think we can scale up much faster than others. Of course, using the radio platform also enables us to scale up." (F, Agri-T2). "The agents were selling the [product of Agri-S2] because…the farmers who were selling…can coordinate with the company to have the orders placed with their neighbor farmers and get a commission. So, in that way your scale will be directly linked to..the entrepreneurial abilities of your farmers. There the risk is that you don't have entrepreneurial farmers…[but when this model works] it grows virally…because it's going from person to person, small farmer to small farmer." (FD, Agri-S2). "We're setting up micro-franchises. We're pitching to a farmer, a group. Buy 20 hives. Here's your financing. We'll guarantee we buy the [product]…It's a lifelong strategy, and it's a productive asset for your lifetime. Was that a help to us? We created it. We got them engaged in that…One of the first successful micro-franchises is quite a breakthrough as well…I think by dealing with equity and making a beehive viable by any individual, not just collective community groups funded by an NGO, is the breakthrough." (F, Agri-T1). "We have given up on these firms [brokers]. We think that we're not going to succeed that way by relying on their services … So, hence, the desire to build our own capacity to access a short calls, to control our own revenue and that sort of thing. So, that is the result of our experience, bad experience from failure to get a share of the revenue that we're looking for." (F, Agri-T2).	"[Agri-T1]'s whole field team, all of the service extension officers that worked in rural areas with farmers...almost all of that team was cut and [we] went to find...brokers instead of sourcing [the product] directly in partnership with farmers. So that whole team was cut…What [Agri-T1] was left with was no cash and little competitive advantage of any kind and structure." (CEO, Agri-T1). "Now, we had...a mobile phone service provider, not directly with us but through a third party ICT firm. That mobile phone company contracted ICT firms, who then deal with clients like us to give short calls. Now, the payment procedure is, at the end of this we know how many calls we have received and we know the price of this call…then that company said, 'I can't pay you because I've not been paid by the mobile phone service provider.' This went on for three or four months, when we try to call the mobile phone company they say, 'We don't have a contract with you. You should deal with this third company.' We were so frustrated because to put on the radio program you are paying something like US$1,000 for a 15-minute program, so wanted to generate revenue to do this. That revenue is now fucked up." (F, Agri-T2). "We worked with middlemen. Yes, and that is another cause of failure. Yeah, we trusted so much the middleman. Whatever, we were doing, you know, we were getting [it] from the middlemen. Yes, you know, the middlemen have no fixed price, yeah, there's simply no way of going to control that..Now that fluctuation in the input price, eventually contributes to your collapse." (F, Agri- LS1).
	Pro-active governance across the whole value chain: "[Before, we just did]...a direct contract to the farmer but...eventually we decided, well let's set impart the cooper… "There's also something very interesting, our network we have in coastal province...[where] they don't have cooperative movements…But there was…[an]…established agency which is more or less a village bank…It's a variant of the circles of the savings cooperative…they are not governed by statutory guidelines. They are self-regulated…They are like micro-finance. And these farmers do not have access to the social training and support that formal cooperatives do have from the…government. So, a lot of the success of this cooperative relies more on what you are calling here the social sanctions…So, it has been successful because of that strong social fabric they have…There are no strong contract mechanisms. But it works for us in the social sanction. Now what are [they] doing? They are buying the products from us and they are distributing it [sic] to the members. They are collecting money from the members. They are paying. So, it works really well, and training becomes easy because we organize to go and visit them when they have their monthly meeting…Then we have a session, to channel them through our training." (CEO, Agri-S2). "What's great to see now is we're actually doing that again. We're getting back to the point where great relationships, good social bonds are being constructed again and that is really critical. At the end of the day, farmers can decide to sell [our product] to somebody else for a smaller price…A lot of side selling takes place. But if you just have a great relationship with them, you could still retain them [at] a lower price because they like doing business with you, because they like who you are, they understand your problems. They feel like they're an engaged stakeholder." (F, Agri-T1).	Mechanisms was not observable with less successful ventures (> counterfactual).

2.5 Discussion

The aim of this study was to identify the social network dynamics of social ventures over the organizational lifecycle, and to identify underlying success- and failure- patterns. Studying variation within and across ventures, this study offered an in-depth comparison of approaches for forming and leveraging networks/social capital, as well as the surrounding conditions. In the following, I will discuss the key findings, and illustrate the contributions I hope to make to the extant literature. I will start with the social network/capital elements (5.1), and then continue with the key mechanisms and conditions (5.2) that were identified in the study. While the discussion of the various social capital dimensions, as well as the relevant mechanisms, form individual contributions, the discussion also shows that conjointly they capture much of the complexity of network development over the social enterprise lifecycle, showcasing the inter-relationships between the different social capital dimensions, as well as the mechanisms employed to dynamically re-arrange these.

2.5.1 Dynamic change and inter-relationships between different social capital elements

My findings illustrated that all social ventures went through distinct organizational stages that emerged from the data, each stage with its own set of challenges and resource needs. While the existence of life cycle stages has been shown in the 'Western' literature (e.g., Burgelman, 1983; Bhave, 1994; Busch & Barkema, 2012; Garud & van de Ven, 1992; Light, 2008; Maurer & Ebers, 2006), my findings extend these results into a developing country, low-income context, and indicate that organizational development is not linear, but rather dynamic. For example, two of the cases went through a 'decline' phase, only after which they continued their path to growth. Establishing this empirical ground allowed me to look at network dynamics over time, showcasing the pro-active agency of (successful) social enterprises. In this first part, I will discuss two contributions to the management literature: a) Showing how the different elements of social capital dynamically change over time, over four stages; and b) Illustrating the interactions of the three social capital/networks elements, and the possibility of alignment by pro-active agency.

a) My findings indicate how the **configuration and dynamic change of social network elements**, or rather the constant re-arrangement of ties, relates to success and failure. Successful ventures on the **structural dimension** went from a dense network of family, friends, and researchers (ideation stage) to a strong local network paired with international ties (proof of concept stage), then to a central dominant role in the network (expansion stage), and finally became a system integrator/enabler (sustained growth stage). Less

successful ventures went from a dense network of family and friends (ideation stage) to less strong local ties paired with fragile or non-existent international ties (proof of concept stage), to a less dominant/central in the network (expansion stage), and an even de-central position in the network (decline stage). On the **relational dimension**, at the successful ventures uni-dimensional exchange of resources such as ideas, knowledge, feedback, money, and emotional support (ideation stage) developed into a more reciprocal exchange of resources (proof of concept stage), to even empowering relationships (expansion stage), and governing the whole ecosystem as well as scaling the amount of resources via multipliers (sustained growth stage). In contrast, less successful ventures went from initial support of ideas, money, and emotional support (ideation stage) to often one-way dependency relationships (proof of concept stage), to untrusted relationships with key stakeholders such as middlemen (expansion stage), and reactive dependency on funders and key service providers (decline stage). On the **cognitive dimension**, successful ventures initially were operating based on 'shared faith' with key stakeholders (ideation stage), moving towards a clear mutual understanding based on educating them about and convincing them of the idea's viability (proof of concept stage), to establishing a dominant paradigm/perception around their venture (expansion stage), and finally a shared understanding via alignment of interests and approaches of lateral accountability (sustained growth stage). The less successful ventures went from a 'shared faith' (ideation stage) to a non-established joint understanding/cognitive frame (proof of concept stage), to a non-existing joint dominant paradigm (expansion stage), and a lack of 'joint narrative/purpose' (decline stage). Turnaround ventures added an additional dynamic, showcasing how pro-active changes such as taking a more dominant central position/substituting non-aligned middlemen (structural dimension) and developing shared narratives/interests/purpose with key stakeholders (cognitive dimension) supported reciprocal relationships, substituting dependency by reciprocity/empowerment (relational dimension) in a re-enforcing circle, and ultimately increased performance. These findings partly resonate with and partly expand on recent literature on network dynamics (e.g., Busch & Barkema, 2012; Maurer & Ebers, 2006). Indeed, research has discussed the positive (e.g. Nahapiet & Ghoshal, 1998) and negative effects (e.g., Adler & Kwon, 2002) of social capital on resource mobilization and ultimately performance. However, we do not know much about how social capital develops over time, and my findings further add to the discussion by going beyond the question of *how* actors connect (e.g., Maurer & Ebers, 2006), to *which resources* they actually access (and when, why, and how). The dynamic perspective allowed me to analyze how and why relationships develop and change over time, and with them the type of resources exchanged. For example, while structural approaches would have mapped 'government' as a constant central actor in relation to the ventures with little differentiation over the different stages,

the fine-grained analysis showed that they indeed went from a barrier in earlier stages (relational content/resources limited to certification and rules) to a strong supporter and even advice-seeker (relational content/resources including funds, dissemination of information, among others). Thus, the study did not only show structural or cognitive changes over time, but especially how the exchanged resources changed; and, that for new resources not necessarily new contacts are needed, but often rather a change/adaptation in existing relationships (e.g., developing a 'naïve' one-dimensional funding partnership into a 'mature' multiplex one), for reasons including aligned incentives, joint narratives, among others. Furthermore, this approach also helped to showcase how social capital can turn into a social liability (e.g., in the case of family members that support at the beginning, but then develop expectations once funds are available), and from a social liability to an at least 'neutral' social capital (by outsourcing these relatives to other organizations the emotional support continues, yet the draining of resources is limited). While the network and development literatures have discussed the 'dark side' of social capital (e.g., Adler & Kwon, 2002; Meagher, 2005), and discussed mechanisms that help individuals and households to avoid related 'sharing obligations' (e.g., Falco & Bulte, 2011), they have stayed surprisingly silent on the question of how (social) enterprises can dynamically dis-embed from these obligations while keeping or even enhancing the respective social capital.

b) The study illustrated not only how social entrepreneurs can pro-actively adapt and develop the different social capital dimensions over time, but it also **showcased the dynamic interaction between structural, cognitive, and relational elements**. Indeed, the (mis-) alignment of the different elements, rather than only the individual elements themselves, appeared relevant. While in the ideation stage the interactions between the elements were quite aligned at all ventures (dense network of contacts, 'shared faith', supply of key resources) in later stages these interactions changed dramatically. While successful ventures were able to leverage the cognitive dimension (e.g., develop a shared understanding) in order to pro-actively adjust the network structure (e.g., recruit new high profile partners), and thus the relational dimension (e.g., access to new resources), less successful ventures' failure to establish the cognitive dimension inhibited effective network structure and relational dimensions. This outcome corresponds with findings in the network literature (e.g., Ibarra et al., 2005; Maurer & Ebers, 2006), suggesting that the cognitive dimension (e.g., shared identity) builds the ground for self-reinforcing relationships, and thus the other dimensions, which in turn influence the cognitive dimension. **I expand on these findings, by showing that particularly in later stages (expansion and sustained growth stages) pro-active changes in the structural dimensions (e.g., eliminating middle men and substituting by cooperatives) can create a push towards an aligned cognitive dimension (e.g., aligned**

incentives and narrative), and in turn change the relational dimension (e.g., more trusted relationship/resource exchange). I showcase that the lack of pro-actively creating alignment between these dimensions, particularly via the elimination of non-aligned middlemen (structural dimension) and shared narratives (cognitive dimension) potentially leads to failure.

Furthermore, the institutional dynamics that happened during my study, e.g. related to the process of devolution, provided an interesting context, as it allowed illustrating the **dynamic interplay between agency (i.e., the actions of the social entrepreneurs) and structure/environment.** While most of my findings related to the pro-active agency of social entrepreneurs, the introduction of de-centralized government and shifts in the institutional frame showcased how outside forces can shape not only the actions of actors, but also impact the structural, cognitive, and relational aspects of their networks. Devolution, for example, changed the social network dynamics for the social entrepreneurs. It had an influence on the structural dimension (local instead of federal government officials became more relevant); on the cognitive dimensions (more potential alignment with the local governor, as he/she usually has 'skin in the game' with respect to employment, social impact, among others, and is often from the same tribe); and relational (access to key resources such as funds etc. coordinated more locally). Indeed, the success cases (esp. Agri-S1 and Agri-S2) adjusted quickly to this outside change: not only did they change their network structure (placing the local governor at the heart of the network), but also the cognitive frame of the collaboration (discussions with the governor focused on shared understanding/a win-win constellation). This aligned cognitive frame also supported the relational dimension: the alignment of incentives and similar backgrounds/languages supported building trust. In contrast, the non-successful organization that still operated did not address issues of devolution in my interviews. While social networks/capital theory helps capture the different dimensions (e.g. Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998), it stays relatively silent on the interplay between agency and structure. Thus, another contribution of this study is the **dynamic interplay of social capital dimensions with institutional change/outside forces**.

2.5.2 Mechanisms and conditions/capabilities

The contextual patterns (and mechanisms) that encourage or hinder different kinds of social innovations have not or only insufficiently been covered in the academic literature (Alvord et al., 2004), even more so with respect to network dynamics. In this study, **I identified one major ability/factor ('orchestrability') and four key mechanisms** that the successful

entrepreneurs employed to tackle the conditions/challenges related to scaling up via networks: a) De-nepotization and effective catering towards local social/power dynamics; b) Capacity building; c) Embedded disembedding; d) Pro-active social governance (the last three mechanisms summarized under the joint logic of 'pro-active platform building'). Besides the more general **contributions of a) key contingencies surrounding social network dynamics and b) key mechanisms to move from stage to stage/to develop networks** to scale, my study has both theoretical and practical implications; I will discuss these contributions below.

2.5.2.1 Conditions and capabilities

The lack of effective institutions and ecosystems provided an interesting context for this study, allowing observing successful and less successful attempts of responding to this challenge via building and leveraging effective networks.

My findings suggested the **importance of the ability to orchestrate networks as a pre-condition of building and leveraging social capital.** Part of this finding can be explained by the extant social network literature: Nahapiet & Ghoshal (1998), partly based on Moran & Ghoshal (1996), discussed four conditions that need to be in place for the effective combination and exchange of resources (and thus, leveraging social networks), namely the existence of the opportunity to exchange, the expectancy of value arising out of the exchange, the motivation of the engaged parties, and the 'capability to combine information or expertise' (ibd.: 250). However, while these conditions can partly explain why the social ventures in my study were able to leverage their networks (opportunity (at some point) existed; motivation (at some point) existed; value expectancy (at some point) existed; combination capability (at some point) existed), it cannot explain why over time these conditions changed (e.g., the government's motivation at the beginning was non-existent, but then over the course of time grew), and how these conditions were pro-actively initiated or changed by the social entrepreneurs in order to build and leverage the social capital. The resource- and knowledge-based view would reasonably suggest that another 'dynamic capability' (Teece, 2007; Teece et al., 1997) must have been at work**; indeed, my argument is that an organizational ability that I named 'orchestrability'** was a necessary pre-/ meta-condition for effectively building and leveraging social capital.

I will define 'orchestrability' as **"the ability to effectively build, manage, govern, and leverage networks in a holistic way over time and across partners"**, including an internal dimension (motivation and skills of internal organization/team/key individual) as well as an

external dimension (building and leveraging relationships). Orchestrability, via pro-active agency of the respective social entrepreneurs, led to building 'motivation' on the side of crucial stakeholders (e.g., employees, the government) to engage; it pro-actively created a narrative to show potential value of the collaboration ('value expectancy'); and it sustained the relationships necessary to combine experience and information ('combination capability'). Indeed, the successful social entrepreneurs in my study were neither only 'brokers' (Burt, 1997) nor only 'integrators' (Xiao & Tsui, 2007); rather, they were 'platform builders/orchestrators', combining elements of both. Not individual relationships (e.g., between the ventures and the farmers, based on traditional 'relationship management skills') were important; but rather, orchestrating the whole network, e.g. bringing in third parties to support other parties relevant in the ecosystem (such as outside funders to directly finance farmers). This more holistic perspective focuses on orchestrating and enabling 'ecosystems', rather than on individual relationships or simple (innovation) networks (c.f., e.g., Dhanaraj & Parkhe, 2006; Doz et al., 2000; Gulati, 1999; Hansen, 1999; Jarillo, 1989; Lorenzoni & Baden-Fuller, 1995), and thus necessitates a distinct ability.

However, this ability was not only a necessary condition for the social ventures to adapt their social networks; but also, it helped them to move from stage to stage (i.e., it partly took the form of a 'mechanism'). By using a dynamic process-perspective, it became clear that what might look as the same structural composition at different ventures (e.g., family members), can have very different performance implications, depending on how these relationships are orchestrated. For example, while successful ventures managed to keep family members at bay or 'outsourced' them in later stages, less successful ones kept them in the organization.

Thus, orchestrability emerged as a key condition/ability for the social ventures to grow and develop their networks. At successful ventures this **ability was in earlier stages embodied by key individuals/teams** such as the original founder(s) (e.g., Agri-S1), in later stages it evolved more and more into an **organizational ability** (e.g., Agri-T1 during their 'turnaround'). At less successful ventures (e.g., Agri-T1 during their period of decline), however, the inability of transitioning from founder ability to organizational ability showed some of the potential risks related to this ability, for example regarding its sustainability once key individuals leave the organization without replacement, and/or if this individual ability is not captured as organizational ability. Orchestrability builds on yet is different from absorptive capacity (e.g., Cohen & Levinthal, 1990; Zahra & George, 2002), in that it includes the ability to access and leverage knowledge and expertise (including combining separate ideas/knowledge to produce novel ones, e.g., Hargadon & Sutton, (1997)), but more

importantly, create, manage, and govern the related partnership and the **whole (extended) value chain/ecosystem, pro-actively changing it over time, as well as across partnerships.** It thus as an organizational ability forms a major driver of performance, potentially enabling an **'orchestrative advantage'** (in a win-win constellation, as opposed to 'competitive advantage' in win-lose constellations). This finding fills several gaps in the network literature, especially clarifying the link between internal and external capabilities/networks (e.g., Maurer & Ebers, 2006), and extending the seminal work of Nahapiet & Ghoshal (1998) by adding another factor/ability, namely 'orchestrability'. It is complemented by and contingent upon the actor's contacts' ability to provide the respective resources, i.e. the *'ability'* dimension worked out by Adler & Kwon (2002)[13]. Orchestrability might also play a part in re-defining the three necessary conditions that facilitate the initial creation of social capital (time, interdependence, interactions: Nahapiet & Ghoshal, 1998). This relatively 'static' approach does only limitedly take into account the pro-active agency of entrepreneurs/social entrepreneurs; thus I suggest complementing these antecedents with **fourth necessary condition for creating and maintaining social capital, namely 'orchestrability'.** Thus, with this I contribute to recent calls to look deeper into the role of abilities with regards to social networks/capital (e.g., Adler & Kwon, 2002).

Furthermore, the longitudinal approach in an **analytically extreme context allowed expanding the boundary conditions** of social network/capital theory (see below). The (partly ambient) relationship between social networks and performance is well-documented (e.g. Adler & Kwon, 2002; Khayesi & George, 2011; Kotha & George, 2012); however, often in Western settings and focused on for-profit ventures. But indeed, **cultural pre-conceptions** such as the association of mushrooms with the devil, or missing policy frameworks, for example for organic fertilizers, presented key challenges for the social entrepreneurs in my study. These were aggravated by **collectivistic and redistributive expectations** of and (felt) obligations towards key stakeholders such as family members. These findings correspond to literature on East Africa, portraying the expected contributions including fulfilling basic needs for family members, which increases the costs of raising resources (e.g., Jackson et al., 2008; Khayesi & George, 2011). However, the literature has stayed remarkably silent on the question of how (social) entrepreneurs dynamically circumvent these challenges/barriers in order to (leverage their networks and) perform. I build on the findings of Xiao & Tsui (2007), who showed that in the collectivist Chinese context 'integrators' (individuals bringing people together) rather than 'brokers' (individuals connecting previously unconnected individuals)

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[13] It is further complemented by psychological factors on the individual level such as self-monitoring (e.g., Day & Kilduff, 2003; Oh & Kilduff, 2008; Snyder, 1987).

successfully fill 'structural holes'. While my findings support the notion that traditional brokerage (Burt, 1992; 1997) in a collectivistic context (Kenya) might not be successful (for example, non-aligned middlemen were ineffective as brokers and lacked trust on both sides), **this study departs in two ways. Firstly, I specify additional conditions under which this is the case, namely the alignment of incentives and cognitive frames. And secondly, my findings show that while brokers that were not aligned (e.g., middlemen) proved to be ineffective, brokers that also fulfilled an integration function (e.g., cooperatives) proved highly successful. Thus, my findings indicate that brokerage in collectivistic contexts might not be penalized if incentives are aligned, and if the brokers at the same time fulfill the role of integrators; that is, if the broker is not at the boundary of the in-group (as assumed by Xiao & Tsui, 2007), but rather at the center.** These findings also clarify the 'bonding' (linkages among individuals with high degree of cohesion/collective goals; e.g., Coleman, 1990) and 'bridging' (linking to an external group/network; e.g., Adler & Kwon, 2002) views in collectivist contexts, indicating that if the bridging is to the benefit of the respective community (e.g., the farming community), it might not be detrimental but rather complementary to community cohesion. I will label those actors that are both brokers and integrators as **'gate*finders*'**, clearly dissimilar from the usual 'gate*keeper*'-function that brokers oftentimes embody (c.f., e.g., Xiao & Tsui, 2007).

2.5.2.2 Mechanisms

I identified several key mechanisms related to network dynamics and scaling that expand on or depart from the extant literature. The study exposed **conditions under which social capital can turn into a social liability**, **and mechanisms to turn social liability back into social capital, or at least neutralize it**. My findings show that social entrepreneurs that were able to structure their relationships based on merits (e.g., Agri-S1) succeeded; those that were based on nepotism and negative over-embeddedness (e.g., Agri-LS1) failed. This builds on recent findings that showed that high shared identity can be linked to high maintenance cost of the network, due to reasons such as expectations of close family and friends (e.g., Khayesi & George, 2011). Particularly anthropologists have for long raised the issue of social capital as potentially undermining economic development due to clientelism and corruption, particularly in dysfunctional states (e.g., Meagher, 2005). However, while this 'dark side' of social capital has been illustrated, mechanisms that are employed by (social) entrepreneurs to overcome this 'dark side' of social capital have been neglected. While the development literature has shown how households and individuals circumvent their 'sharing obligations' by strategies such as reduction of liquid assets savings or the accumulation of non-shareable durables at the expense of share-able durables (e.g., Di Falco & Bulte, 2011), my findings

illustrate how social liabilities can be turned into (neutral) social capital again, for example by social entrepreneurs 'outsourcing' family members, and structuring relationships based on merit rather than based on nepotism. I named this mechanism **'de-nepotization and catering to local social/power dynamics'**.

In addition to this dis-embedding on the small scale, my findings illustrated the importance of the logic of **pro-active platform/ecosystem-building** (incl. the mechanisms 'capacity building', 'embedded disembedding', and 'pro-active governance across the value chain') that allowed keeping strong local legitimacy and support, while avoiding a local-centric lock-in and scaling the impact and reach of the venture. The successful ventures in my study directly or indirectly influenced big parts of the broader ecosystem (especially in later stages), across the value chain and beyond, including opening up markets for farmers, while the less successful showed a clear lack of pro-active ecosystem building/leverage. Indeed, the successful social ventures **built capacity of their key partners**, e.g., farmers, via guaranteed purchase of their produce or funding support, and thus interacted on different levels (e.g., sales and funding). The extant networks- and management- literatures can partly explain this finding via the notion of **'multiplexity'**, i.e., two or more types of relationships (e.g., friendship and funding relationships) coming together (Kenis & Knoke, 2002). Promoting multiplexity has been regarded as a key mechanism to stabilize networks (e.g., Dhanaraj & Parhe, 2006), as the increased interaction on different levels allows for a better understanding and appreciation of the respective partners. However, the literature has not yet dealt with the question of which incremental value these hub firms are adding in pulling together different resources to enable enhanced innovation/performance (e.g., Dhanaraj & Parkhe, 2006). **This study adds a detailed account on how network orchestrators provide concrete value to network partners, and how network position/structure and agency/process are facilitating this.** By leveraging their relationships with funders and local distributors, for example, successful ventures provided direct value to farmers via opening up financing channels and linking to new markets, while further stabilizing their respective network position. Rather than weakening suppliers or customers (as often assumed by market-based approaches), they pro-actively strengthened the social, human, and financial capital of key partners. While the network literature is limited in its explanatory power in this respect, the development literature (e.g., Alvord et al., 2004; Uvin et al., 2000) can help to interpret these findings. By working with marginalized populations (such as farmers in this study) and mobilizing the assets of these groups (e.g., local social and human capital), less outside resources are needed while a capacity to self-help is built up (Alvord et al., 2004). A key proposition of this literature, namely that sharing control with local partners can be effective, is confirmed in my discussion – especially the cooperation with local cooperatives

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that partly govern the activities with farmers are a noteworthy example. However, this study answers key questions not yet illuminated in the literature, such as 'when or how strategically timed financial support can make a pivotal difference to the emergence of a successful social innovation' (Alvord et al., 2004: 280). The findings clearly indicated that especially in the growth stages, financing not only the ventures, but particularly their customers can provide effective ways towards increased impact.

Furthermore, all successful social enterprises in my study kept strong local ties via enabled partners such as cooperatives, while expanding their reach working with global partners. This **'embedded disembedding',** which allowed for balancing both local expectations and global needs, differentiated successful from less successful ventures in the growth stages. Less successful ventures, or turnaround ventures in their decline period, continued working with non-aligned middlemen or developed other local dependency relationships, which limited their potential to scale, and put their organizations at risk. The findings showed that micro-empowerment took different forms, including micro-franchising and networked models, in order to scale their impact. The motivation of the social enterprises in my study to empower franchisees and network entrepreneurs, for example to access and leverage local resources, broadly corresponds to the recent literature on entrepreneurship/social franchising (e.g., Tracy & Jarvis, 2007). However, interestingly, while I found that the ventures in my study were able to align key stakeholders' interests at relatively low costs via cooperating with cooperatives and other farmer associations, this is in contrast to recent studies (based on agency-theory) that suggest that social venture franchising, unlike business format franchising, may encourage goal asymmetry due to differences in prioritizing commercial vs social objective and goal complexity (Tracey & Jarvis, 2007). My study might illuminate this conundrum: by designing the incentives in an aligned way, cutting out non-aligned middlemen, and bringing in cooperatives, the successful social entrepreneurs worked with partners in whose self-interest it was to provide both social and financial impact in ways aligned with the ventures. Thus, I add to the literature how the **right choice of partners, e.g., cooperatives instead of non-aligned middlemen, as well as the structuring of the respective partnership (and the business model), e.g., including social rather than contractual mechanisms, may align the cognitive dimension ('shared purpose/understanding') inasmuch that goal symmetry might be possible.** As discussed in chapter 4, this approach consequently reduces (rather than increases) agency costs, as self-regulation by farmers (partly) substitutes costly contractual mechanisms. Indeed, the findings clearly showed a **reliance of successful firms on social sanction mechanisms** rather than contractual mechanisms only, including cooperatives sanctioning and incentivizing their members. The innovation literature can partly explain these findings: given the ambiguity of

the process of innovation, providing clear pre-established sanctions for the violation of trust increases trust and probability of fair distribution of value (Dhanaraj & Parkhe, 2006). However, while the literature focuses on direct relationships between firms, in our study, partners such as cooperatives were leveraged as 'proxies' in order to build ('indirect') trust with farmers, and develop social sanction mechanisms. This 'multiplier approach' adds another dimension to the literature.

Practical implications

These findings could prove of interest to social enterprises that aim to develop sustainable business models and platforms, integrating the study's insights (particularly regarding the identified mechanisms), and might also assist incubators and government agencies to structure their social entrepreneurship networks in more differentiated ways: Instead of providing a 'one-size-fits-all solution', depending on the respective life cycle stage and characteristics/conditions of the venture, support could be adjusted and optimized. Given the tendency of 'traditional entrepreneurs' and multinationals, particularly in resource-constrained environments, to shift towards **'inclusive business model innovation'** (c.f., e.g., Ansari et al., 2012; George et al., 2012), the learnings of social entrepreneurs might also prove beneficial for multinationals and international development agencies. Rather than looking at alliances in an isolated way, taking an ecosystem-/orchestration- view, and hiring personnel able to think/act in ecosystems, might prove beneficial.

2.6 Limitations and future research

This study has several limitations. The life cycle metaphor has been criticized by several scholars (e.g., Langley et al., 2013) due to its 'linear' nature. However, in order to not fall into a normative 'step-by-step guide' trap, I tried to showcase the dynamic nature of these stages, and the 'constant dynamics' that exist within these stages.

Also, there are potential interdependencies between social capital and social venture performance; while I focused on the impact of social networks/social capital on social venture performance, there can be expected a feedback loop from social venture performance to social networks/social capital; **further research could explore the exciting potential feedback-effects of (social venture) performance on social capital/networks.**

Furthermore, one core challenge of qualitative papers, mine included, are **quality criteria**; while in quantitative studies there are clear concepts (e.g., error terms), in qualitative studies there is less clarity on which criteria to employ (c.f., e.g. Flick, 2009). In order to

increase **trustworthiness** as much as possible, I used several strategies suggested by leading methodologists (e.g., Eisenhardt, 1989; Flick, 2009). First, i**n order to increase procedural dependability**, I made transparent my reasoning in all steps of the research process, **grounding the outcomes deeply in the data** (c.f., e.g., Huberman & Miles, 1998). Second, I triangulated on the levels of data, theory, and methods (Denzin, 1989; Flick, 2009). Third, I used peer debriefings with colleagues and academics to discuss arising insights, and used communicative validation (i.e., reflection on the findings with respondents) in different stages of the process. Fourth, less successful cases were included in order to be able to detect success and failure patterns. Fifth, prolonged engagement (Flick, 2009) was reached by spending two longer periods of time in Kenya, to more holistically understand the phenomena, culture, and social setting. In order to enhance **transferability/external validity**, I demarcated potentially generalizable patterns that might be applicable more broadly. I nevertheless acknowledge that the limited number of cases might pose questions of representativeness/generalizability. While my procedures allowed for a deeper analysis and exploration of underlying processes, there is a risk that not all patterns identified can be transferred to other contexts. Therefore, (quantitative) follow-up studies could test the hypothesized relationships and extend these to other settings, thereby increasing the generalizability of my findings.

There are also certain ceteris paribus assumptions which limit the generalizability of the study: the industry, the country focus, and other factors were taken as given. I however tried to make these contextual factors and their potential effects as explicit as possible (c.f., 'methods'). This is also not a study on causation; while there seem to be clear relationships between social networks/capital and performance, the study's focus on networks might neglect other factors (e.g., founder curse; product issues; etc.). Moreover, while I controlled for major aspects such as industry and institutional environment, there are other exogenous variables that I only considered peripherally: gender, practical experience, team complementarity, management challenges, prestige, memberships in organizations. Theories of homophily, for example, would suggest that actors might try to forge ties to those actors who are similar to themselves (e.g., Coleman, 1957; McPherson et al., 2001). It is however beyond the scope of this explorative study to take into account all of these variables, and I focused on these recommended by the extant literature and experts. Future research could further explore these potential antecedents and conditions.

Moreover, while the use of **perceptual measures** balanced the information-rigidness in Kenya and enabled a deeper and richer understanding of the observed relationships, it could be argued that this subjective information might have biased the results. However, its use is

consistent with the pragmatic approaches of scholars facing similar challenges in emerging economies (e.g., Acquaah, 2007; Park & Luo, 2001; Peng & Luo, 2000), and I balanced these with more objective measures. Future studies could take on more sophisticated social venture **performance measures**, such as longer-term outcomes.

Last but not least, it might be reasonable to assume that in more **collectivistic cultures such as in Kenya** social ties and networks play a more important role for organizational performance than in less collectivistic countries. The literature would therefore benefit from studies that test the findings in different contexts, and aim for generalizations of those findings across countries and industries; also, expanding this research from social enterprises to multinational corporations and other organizations might prove to be fruitful.

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Chapter 3: An investigation into the development of (community) social capital in the context of deep poverty.

3.1 Introduction

Over four billion people around the world live in considerable poverty and face substantial socio-economic and environmental challenges (Hammond et al., 2007; London & Hart, 2004). Social entrepreneurship as a way to align the wellbeing of the poor with dynamic business approaches has been identified as a critical approach towards alleviating this substantial poverty at the 'Base of the Pyramid' (BoP) (Peredo & Chrisman, 2006). However, despite extensive activities of social enterprises, multinational organizations and companies in these contexts, wide-spread poverty prevails, and reducing the poverty gap continues to be a persistent challenge; furthermore, good intentions often lead to paternalistic approaches, neglecting the potential of local organizations (Davis, 1993; Easterly, 2006). Organizations operating in BoP-contexts often face considerable challenges, including adapting to heterogeneous cultures and dialects, and show difficulties in effectively managing crucial relationships particularly with locals (Kistruck & Beamish, 2010; Kistruck et al., 2013; London & Hart, 2004; Webb et al., 2010). Furthermore, many programs and interventions have focused on 'charity', rather than strengthening durable, local self-reliance; often even compromising local community support systems (Burkey, 1993; Crewe

& Harrison, 1998; Sachs, 1992). A major point of critique has been the fact that many projects have been initiated and executed by development agencies and global organizations, rather than by members of the respective local community, often leading to a lack of local buy-in and ownership (Peredo & Chrisman, 2006). Even the more locally-targeted projects (e.g., World Bank, 1996) have often been externally initiated, and often a genuine local involvement has been constrained by local power structures, prejudices, and similar challenges; involvements of the local poor have often been transactional and focused on immediate economic benefits (Crewe & Harrison, 1998; Davis & Ebbe, 1993; Sachs, 1992). Local community-based enterprises, embedded in the local context, have been identified as promising type of social enterprise to holistically tackle issues around poverty (e.g., Peredo & Chrisman, 2006). However, local projects, driven by the poor, have often been unsuccessful, too (Cornwall, 1998; Sachs, 2002). Thus, scholars from a variety of disciplines have called for increased efforts to critically analyze (social) initiatives tackling this wide-spread poverty (e.g., Ansari et al., 2012; Banerjee & Duflo, 2011).

It has been contended that addressing poverty and structural inequalities necessitates not only economic changes, but rather societal transformation (Narayan, 1999; Stiglitz, 1998). An approach that has been deemed appropriate to untangle and capture the complex social forces that are related to this societal transformation, and thus social enterprise 'impact', is social capital (Narayan, 1999; Woolcock, 1998). (Facilitating) social capital has been regarded a necessary component of (community) development, potentially opening up social opportunity (Flora et al., 1997; Lyons, 1992; Narayan, 1999; Woolcock, 1998; Woolcock & Narayan, 2000; World Bank 2001). Given that more often than not the essential form of capital in low-income contexts is not financial, but rather social, facilitating this social capital (e.g., via inclusive business models and use of networks) has been considered crucial concerning the engagement of low-income segments (Ansari et al., 2012; Reficco & Marquez, 2012; Steward, 2005; Woolcock & Narayan, 2000). Thus, particularly development scholars (e.g., Woolcock, 1998) have urged to look into the sources, rather than only the effects, of (community) social capital, and the **mechanisms that create and sustain it**. However, there is a considerable gap in the literature, where there has been identified the need to more closely examine the origins of social capital (e.g., Maurer & Ebers, 2006; Portes, 1998), its contingencies and conditions (e.g., Maurer & Ebers, 2006), and with whom actors connect and which resources they exchange **over time** (e.g., Kilduff & Brass, 2010; Maurer & Ebers, 2006). **Thus, the core question of this paper is: How (and why) do social entrepreneurs in resource-constrained environments facilitate community social capital? With whom do actors connect, and which resources do they exchange over time? What are the conditions, and which mechanisms are employed?** Contributing to the social

networks and social capital literatures, and drawing from a context neglected by the current management literature (South African BoP-context), I will show that by leveraging approaches such as different forms of bricolage and 'decentralized connectivity', social entrepreneurs can effectively build and enhance community social capital. These insights also contribute to the innovation- and entrepreneurship- literatures by **showing how bricolage theory can be expanded to look into the enfranchisement of previously disenfranchised people** (for recent calls, see e.g., George et al., 2012); that is, elucidating how approaches such as bricolage can be used to integrate the previously disadvantaged, and to facilitate community social capital and other outcomes. I will do so via a longitudinal case study of a social enterprise based in South Africa, Community Org[14], which developed its model into different locations around the world in its efforts to strengthen local communities and their members. In the following, I will first discuss the theoretical background of this study (3.2), then describe the methods I used for data collection and analysis (3.3), moving on to the findings (3.4) and a critical discussion of these related to the literature (3.5), closing with limitations/potential further research (3.6), and a short conclusion (3.7).

3.2 Theoretical background/literature

In order to lay the ground for the empirical study, below I will briefly discuss the literatures that theoretically sensitized my study, namely the development- and social entrepreneurship- literatures, networks-/social capital- literatures, and the literature on bricolage.

3.2.1 Communities, social entrepreneurship, and development

Poverty has been contended to be a multi-faceted occurrence (Narayan, 2000), and entrepreneurship and value creation on the local level have been contended to be important to alleviate this poverty (Peredo & Chrisman, 2006). However, a complex interrelation of macro-environmental conditions, cultural traditions, and social arrangements, as well as the interaction among communities and entrepreneurs, need to be recognized and integrated into entrepreneurial activities (Ansari et al., 2012; Cornwall, 1998; Morris, 2000). Each society underlies an implicit or explicit understanding of the way the entitlements, achievements, and status of its members is supposed to be interpreted in relation to the needs of the community itself (Peredo & Chrisman, 2006; Peterson, 1988). The more community-oriented and collectivistic a society, the more members will understand their

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[14]'Community Org' is a fictitious name to protect the anonymity of the organization/the informants.

own well-being and status as function of the interactions with and contributions to their respective community (Kilkenny et al., 1999). 'Community' in this context has been delineated by (geographical) location, usually supplemented by shared relational characteristics, ethnicity, and/or culture (e.g., Molinari et al., 1998; Peredo & Chrisman, 2006). With an increased community-orientation comes the sense that the community itself has needs, including jobs, affordable energy, among others, taking precedence over individual benefits and choices (Peredo & Chrisman, 2006). Thus, scholars have increasingly researched the collective process of entrepreneurship and innovation, explaining phenomena as diverse as the resilience of Silicon Valley and flourishing small communities in developing countries (e.g., D'Arcy & Guissani, 1996; Peredo & Chrisman, 2006), Indeed, community-based enterprises have been emerging in both West and East (e.g., Lyons, 2002, Nelson, 2000), and research on transitional economies has increasingly focused on social networks and social capital as crucial factors in understanding (successful) entrepreneurial pursuits among the disadvantaged (e.g., Anderson & Jack, 2002; Bates, 1997; Peredo & Chrisman, 2006).

In order to be better able to capture the phenomenon of (social) enterprises driven by local communities, Peredo & Chrisman (2006) institutionalized the construct of 'community-based enterprise' (CBE) to demarcate "a community acting corporately as both entrepreneur and enterprise in pursuit of the common good. CBE is therefore the result of a process in which the community acts entrepreneurially to create and operate a new enterprise embedded in its existing social structure." (ibd.: 310). These CBEs are supposed to lead to economic and social goals of the respective community, yielding group and individual benefits in both short- and long- term, as they leverage the respective community's social structure to coordinate its activities. Thus, rather than treating the community as exogenous to the enterprise (c.f., e.g., Bhave, 1994; Gartner, 1985), the enterprise/entrepreneur is regarded as being embedded in a network of (usually local) relationships (e.g., Johannisson et al., 2002; Kilkenny et al., 1999), **endogenous to the enterprise** (Peredo & Chrisman, 2006). Thus, in contrast to the traditional entrepreneurship literature that proposes the primacy of financial goals (e.g., Chrisman et al., 1998), this allows capturing the fact that in indigenous communities such as those captured in the empirical setting of my study, cultural, social, and other concerns might prevail, while often a high degree of entrepreneurial activity exists (e.g., Dana, 1998; De Soto, 2000; Peredo & Chrisman, 2006; Woolcock, 1998). While not all community members are supposed to be actively involved, the understanding that many of them will be involved in the activities and direction of the enterprise allows demarcating (flexible) boundaries; the goal of the enterprise often is not financial, but rather focused on achieving community purposes (Peredo & Chrisman, 2006). Thus, the definition of 'social

enterprise impact' is related to the satisfaction of the respective communities' needs and purpose, rather than only economic goals. Conditions under which community-based organizations emerge are social and economic stress (often arising in response to factors such as social disintegration/alienation and lack of opportunity), a desire to regain control of local development, collective experience, and pre-existing social capital (Helmsing, 2002; Minniti & Bygrave, 1999; Peredo & Chrisman, 2006). Characteristics of community-based enterprises include: leverage of available community skills and capitalizing on reputation of community members; multiplicity of goals, based on the needs of the respective community, and often including social, financial, cultural, and environmental dimensions, for example income opportunities for members, support for cultural activities, among others; and a dependence on community participation (i.e., pre-existing social capital) (Lyons, 2002; Peredo, 2003; Peredo & Chrisman, 2006). Examples of community-based enterprises include the community enterprise of Llocllapampa or the Walkerswood community in Jamaica (c.f., Lean, 1995; Peredo, 2003). In this paper, I will follow a similar understanding, regarding organizations resembling CBEs as a particular form of social enterprise on the social enterprise continuum (c.f., Elkington & Hartigan, 2008), driven by the local community. Thereby, social enterprises, similar to traditional enterprises, usually evolve through life cycle stages (e.g., Busch & Barkema, 2012; Light, 2008; c.f., Chapter 1). However, it has been an open question of how these ventures can expand the community's resources and skills over time, and how these community-driven ventures interact with other partners to benefit their activities (Peredo & Chrisman, 2006). It has been contended that social networks and the facilitation of social capital might play a major role to tackle the prevailing issues, particularly as social capital can be regarded as (one of) the most valuable asset(s) of a community/community-based enterprise, given that material resources are scarce and access to capital markets limited (Anderson & Jack, 2002; Flora, 1998; Peredo & Chrisman, 2006). Community networks facilitate coordinated activities, safety nets for individuals, and resources to be pooled (Bourdieu, 1983; Putnam, 1993; Putnam, 2000), and while community-based enterprises are built on existing social capital, they potentially enhance existing social capital in their communities (Peredo & Chrisman, 2006). However, how and why can this crucial social capital be facilitated and further enhanced? An approach that has been deemed appropriate to untangle the complex social forces that are related to this social transformation, and thus social enterprise 'impact', is social capital (c.f., e.g., Narayan, 1999; Woolcock, 1998).

3.2.2 Social networks and social capital

The ample literature on social networks and social capital can be separated into papers looking at social networks/social capital as independent variable, i.e., focusing on its consequences for (social) enterprise performance and other organizational outcomes (e.g., Busch & Barkema, 2012; Butler & Hansen, 1991; Davidsson & Honig, 2003; Elfring & Hulsink, 2003; Jack, 2005; Lechner et al., 2006; Maurer & Ebers, 2006; Uzzi, 1999; Watson, 2007), and those focusing on it as dependent variable (e.g., Greve & Salaff, 2003; Hite, 2005; Schutjens & Stam, 2003; Steier & Greenwood, 2003). The focus of this paper is on social capital as desirable outcome in itself, building on recent studies in the developing country context that highlighted its crucial role in development and community development (e.g., Agnitsch et al., 2006; Leonard & Onyx, 2003; Onyx & Bullen, 2000; Woolcock, 1998; Woolcock & Narayan, 2000). Recent research has contended that social capital can be effective in advancing development in poor contexts and communities, among others opening up social opportunity and supporting the day-to-day survival struggles of poor communities (c.f., Ansari et al., 2012; Flora et al., 1997; Lyons, 1992; Moser, 1996; Narayan, 1999; Narayan, 1995; Scott, 1976; Van Bastelaer, 1999; Woolcock, 1998; Woolcock & Narayan, 2000; World Bank 2001). In this paper, I follow the understanding of Nahapiet & Ghoshal (1998) of social capital as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships, possessed by an individual or *social unit*." (ibd.: 243). Thus, social capital is contingent upon social networks, which define the access, availability, and use of resources (for a recent review, see Crossley, 2008); for example, the closure of networks has been linked to increases in social capital, as it potentially increases the sharing of resources (Bourdieu, 1983; Coleman, 1990; Lin; 2008). Indeed, the extant literature (e.g., Ansari et al., 2012; Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998) has identified four core factors that potentially facilitate the production of social capital: time, interdependence, closure, and interactions. Furthermore, **three dimensions** of social capital have been identified in the literature (e.g., Ansari et al., 2012; Maurer & Ebers, 2006; Nahapiet & Ghoshal, 1998), namely cognitive, relational, and structural social capital. **Cognitive social capital** refers to shared beliefs, language, and norms, for example via the use of specific codes and language. It has been shown to be enhanced by fostering local identities, values, and traditions, maintaining cultural cohesion, shared commitments, creating a shared context, and preserving the particularity of the network (e.g., Ansari et al., 2012). **Relational social capital** refers to the content of the respective tie and trust; for example, the characteristics of a relationship, or the different levels of trust. It has been shown to be enhanced by creating mutual expectations and obligations, preserving social harmony, triggering local buy-in, and leveraging existing relationships rather than creating new ones (e.g., Ansari et al., 2012; Tsai & Ghoshal, 1998). **Structural social capital** refers to the network's features and ties; for example, community

leaders occupying central positions. Structural social capital can potentially be enhanced by sustaining existing roles and interdependencies, leveraging locally influential community members as anchors, and fostering structural diversity (e.g., Ansari et al., 2012;).

Thereby, the common distinction has been drawn between **two social capital types,** namely **'bonding'** (internal ties within collectives; emerging from core ties) and '**bridging'** (external relations; emerging from more peripheral ties) (see Adler & Kwon, 2002; Coffe & Geys, 2008; Geys & Murdoch, 2010; Gittel & Vidal, 1998; Putnam, 2000; Putnam and Goss, 2002; Schiff, 1992). While bonding social capital has been related to 'getting by' due to high group cohesion and shared objectives (Briggs, 1998; Holzmann & Jorgensen, 1999), bridging social capital has been linked to 'getting ahead' due to broader access to information and resources (Kozel & Parker, 1998; Narayan, 1999; Portes, 1998; also c.f., Burt, 2001). Bonding social capital potentially sustains (democratic) society and communities, while bridging capital enables access to external assets, resources, and information (Portes, 1998; Putnam, 2000; Weisinger & Salipante, 2005). Critiques of this differentiation have focused on the potential 'under-theorization' of this demarcation (e.g., Leonard, 2004), potential trade-offs between bonding and bridging (e.g., Bunn & Wood, 2012; Leonard, 2004), and the multi-dimensionality of individuals (e.g., age, sex, profession, political interests, among others) that might preclude clear demarcations of 'communities' (e.g., Blackshaw & Long, 2005). However, it has been shown that particularly in resource-constrained settings, communities are usually demarcated by factors such as geography and culture (e.g., Peredo & Chrisman, 2006), thus making this approach particularly relevant for the context of deep poverty (e.g., Woolcock, 1998). It has been contended that while the different forms of social capital are important in itself, they need to be looked at holistically; Woolcock (1998), for example, contended that while a combination of embeddedness/integration (i.e., 'bonding') and linkage nurtures social opportunity, low linkage and high integration might lead to 'amoral individualism'. Under conditions where linkage is high and integration low, 'anomie' might prevail, while under conditions where integration is high and linkage low, 'amoral familism' might persist (ibd: 172). Thus, only the right balance of different social capital forms might lead to the desired state (in this case, 'social opportunity').

However, while the importance of social capital for alleviating poverty and strengthening local communities/community-driven ventures has been broadly contended (e.g., Peredo & Chrisman, 2006; Woolcock, 1998), and a extensive range of literature on social capital and networks has been produced, there has been identified the need to more closely examine the origins of social capital (e.g., Maurer & Ebers, 2006; Portes, 1998; Putnam, 1993b), its contingencies and conditions (e.g., Maurer & Ebers, 2006), and with whom actors connect

and which resources they exchange ***over time*** (e.g., Kilduff & Brass, 2010; Maurer & Ebers, 2006).

3.2.3 Bricolage literature

While I went into the field with the above-mentioned research questions, theoretically sensitized by the development-, social entrepreneurship- and networks-/social capital-literatures, during my study the importance of bricolage in most of the activities of Community Org became apparent, and it emerged not only as a way to overcome resource constraints, but particularly as a key mechanism to enfranchise previously disenfranchised community members, facilitating the enhancement of community social capital. Thus, in the following I will briefly sketch the literature on bricolage that supported me in sensitizing my data analysis and interpretation of findings.

Bricolage has been understood as "making do by applying combinations of resources already at hand" (Baker & Nelson, 2005: 33). In contrast to resource-seeking-/optimization-approaches that focus on the goal-directed acquisition of those resources which have clear capabilities for the precise application for which they are envisioned (c.f., Desa & Basu, 2013; Klein, 2008; Oliver, 1997), this approach to resource mobilization focuses on solving problems with already existing, usually undervalued and/or discarded resources which are usually available cheaply or without charge (Baker & Nelson, 2003; Desa, 2011; Desa & Basu, 2013; Garud & Karnoe, 2003). While bricolage has traditionally been conceptualized as being born out of necessity ('necessity based bricolage'; c.f., e.g., Duymedjian & Rueling, 2010), it has been shown to potentially lead to the creation of new capabilities and innovation due to new idiosyncratic combinations (c.f., DiDomenico et al., 2010; Gundry et al., 2011; Hull, 1991; Philipps & Tracey, 2007), and to at times be intentionally used as a design philosophy, referred to as 'ideational bricolage' (Carstensen 2011; Louridas, 1999; Seelos et al., 2010). In recent papers (e.g., Desa & Basu, 2013), bricolage has been positioned as both succinct from and complementary to resource-seeking-/'optimization'- approaches; that is, approaches that focus on the procurement of external resources with usually proven capabilities towards the application they are intended for (Desa & Basu, 2013; Garud & Karnoe, 2003; Oliver, 1997).

Recent papers demarcated bricolage as consisting of three dimensions: labor-, skills-, and material- bricolage (e.g., Desa, 2011; Desa & Basu, 2013), building on the three succinct resource dimensions of new ventures (c.f., Desa, 2011; Desa & Basu, 2013; Shane, 2003; Wernerfelt, 1984). Labor bricolage thereby refers to involving suppliers, customers, and

others in providing works for free for the organization (rather than salaried). Material bricolage, in turn, refers to discarded, forgotten, presumed, or worn materials that are leveraged for (new) use (rather than bought). Skills bricolage, lastly, refers to the permission and encouragement of self-taught skills on the job (in contrast to formal training programs) (Desa, 2011; Desa & Basu, 2013). Bricolage can be regarded as both antecedent (i.e., enabling factor) of social capital, as well as capitalizing on the stock of pre-existing social capital (e.g., Anderson, 2008). While the bricolage-approach has been covered broadly in the recent literature (e.g., Desa, 2011; Desa & Basu, 2013; DiDomenico et al., 2010), there has been identified a gap in the literature regarding the development of bricolage over time/the organizational lifecycle (Desa & Basu, 2013), and how bricolage theory could be expanded to look at the potential enfranchisement of the previously disenfranchised, and potential outcomes of this process (e.g., George et al., 2012). Thus, aiming to fill this gap, I will focus on the enabling features of bricolage and its relation with the empowerment of previously disadvantaged locals/the facilitation of social capital.

3.3 Methods

There has been identified an absence of longitudinal studies in the low-income context that go beyond success stories towards analytically examining underlying patterns (Linna, 2013). The goal of my research was to inductively examine and explain network- and social capital-dynamics in a resource-constrained context. While this case is focused on a rather unexplored and 'unusual' setting for the management literature (low-income in developing country), given its prevalence it is not unusual in reality, and thus highly relevant (c.f., Mair et al., 2012). Case studies are the preferred method in situations where 'why' and 'how' questions are to be explored (Yin, 2003); as I was interested in capturing social capital/networks dynamics, and to trigger novel theoretical insights into these, I opted for a case study approach. The focus on process and dynamic approaches suggested a longitudinal exploratory approach in order to analyze changes over time and within-case variation (Eisenhardt, 1989; Flick, 2009; Langley, 1999). In contrast to others (e.g., Cusumano & Selby, 1995), I did not use business history approaches to be able to track these changes, as historic documents and data in this context (early stage, resource-constrained) were limited; furthermore, as my focus was on the dynamics of networks, it was important to receive information from the founding team, as well as key stakeholder such as franchisees. Thus, I used a qualitative approach to dig deeper into how and why networks developed, and how the outcomes (i.e., facilitation of social capital) played out – thus, I collected longitudinal, qualitative data to be able to develop theory inductively (Eisenhardt, 1989; Langley, 1999; Yin, 2003). I looked at the venture from its inception to today, and collected data from

January 2012-August 2013, visiting several sites in Cape Town and Johannesburg (headquarters and franchisees), as well as partners including local universities. High within-case variation (e.g., due to successful and less successful projects/franchises) related to the core constructs (e.g., use of bricolage) was detected (c.f., below).

In order to go beyond the anecdotal evidence often-present in BoP-studies, and to generate generalizable patterns, I opted for a theoretically sensitized longitudinal approach. This longitudinal design is supposed to counter a deep-sitting issue in social network research, namely a reliance on perceptual evaluation of ties. Instead, I partly observed the ties as they developed, complemented by retrospective accounts. Inspired by grounded theory, data collection and analysis proceeded concurrently, and I started coding with the first interviews (Flick, 2009). In order to develop theory that takes into account the knowledge that has already been accrued in the relevant areas of research (particularly regarding social capital/networks and bricolage), I used existing literature to sensitize my findings, and to integrate the results (c.f., Flick 2009). As it will be elaborated below, triangulation of data, theory, and methods, was employed. Thereby, theoretical relevance (related to my research question) was my dominating principle, while further representativeness can be reached via a quantitative follow-up study. Given that the organization of interest ('Community Org', c.f. below) resembles a community-based enterprise, I demarcated the **unit of analysis** as the central Cape Town 'hub' (including its local community), which then later justified the use of 'bonding' (internal to this group; e.g., trust within the local community) and 'bridging' (external to this group; e.g., connections with franchisees, clients of franchisees, partners) social capital. With regards to 'hubs' of Community Org, I will differentiate between 'successful' (regarded by the core team as fulfilling the purpose of their activities, i.e., enfranchising the previously disenfranchised and enhancing social capital) and 'less successful'/'failed' (not fulfilling the purpose of their activities to the degree expected by the management team; either not operating any more, or operating ineffectively). Four successful hubs, and two less successful ones were incorporated.

An organization in South Africa's low-income ('BoP'-) context has been picked for several reasons. First, Africa in general, and more specifically its low-income context, has been understudied and provides a fertile ground for exploratory studies (c.f., e.g., George et al., 2012; Kolk & Rivera-Santos, 2013). Thereby, **Community Org was selected** as it offered a unique setting for studying social capital/network dynamics in the BoP-context. As an organization that resembles the 'community-based' characteristics discussed above (based on available community skills; multiplicity of goals; dependent on community participation; and operating under conditions of social and economic stress (often arising in response to

factors such as social disintegration/alienation and lack of opportunity), a desire to regain control of local development, collective experience, and pre-existing social capital (Helmsing, 2002; Minniti & Bygrave, 1999; Peredo & Chrisman, 2006)), it provided a fertile ground to explore the phenomena and underlying mechanisms. I looked at both objective and subjective/perceptual dimensions to identify a case that would be worth studying, as the lack of a deeper understanding of the causal dynamics between clients and organizations in developing countries (c.f., e.g., Barrientos & Smith, 2007) has skewed the discussion towards traditional program performance indicators such as economic benefits of beneficiaries or inputs (e.g., amount of dollars spent/amount of people served) – which neglects the core question of if the organization actually tackles the real issues/needs of the people they serve, as well as the actual transformations they generate in local communities (e.g., Arora & Romijn, 2011; Blowfield & Dolan, 2010).

Community Org by experts and stakeholders has been regarded as operating according to local customs and needs, effectively tackling the multi-dimensional issues of poverty and social capital (e.g., Coetzee et al., 2012; Bertha Centre, 2013). Its approach encompasses 'creating a [holistic and partnership-based] environment…that offers users…the opportunity to take part actively in the co-creation of innovation, and, more specifically, the development of ICT-related products and services (i.e., idea generation, development, implementation and evaluation)." (Coetzee et al., 2012: 2f.; also c.f., Folstad, 2008). Community Org's focus on 'reconstructing lives' and empowering (former) drug addicts and other vulnerable people via education (e.g., social media training) and enfranchisement suits well the social capital definition elaborated above. Having started out of a poor township in Cape Town, founded together with a group of former drug addicts in 2007, it used a mixture of grassroots- driven approaches to scale[15] its impact, today working in 18 locations around the world (c.f., e.g., Coetzee et al., 2012; Low, 2012; Parker et al., 2013). Community Org's central hub consists of a training center/academy (incl. courses on social media, entrepreneurship, online safety), a technology incubator (e.g., tools, mentorship, advise), a community work division (e.g., mobile counseling), a products and services division (e.g., social media consulting), a research institute (e.g., co-publishing), and a network/social franchise division. The network/social franchise division is responsible for coordinating the different 'hubs' around the world; usually, these hubs/'franchisees' take over parts of

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[15] In line with the defining objective of social enterprise to address a social problem, as opposed to pure profit-seeking, the term scaling-up in social entrepreneurship refers to the underlying idea and societal impact (in our case: development of community social capital) rather than the organization itself (Beckmann and Zeyen, 2012). Accordingly, social entrepreneurs can 'scale deep' and 'scale wide': the former involves increasing the benefits for those already included in activities/augmenting the original program (i.e., in our case extend bonding social capital), while the latter refers to extending geographical reach or addressing a new target audience (i.e., in our case expand bridging social capital) (Beckmann & Zeyen, 2012; Volery & Hackl, 2010).

Community Org's model. Often already existing organizations, for example local community organizations, complement their own services with components of Community Org (also see Table 1). The agreements with these partners (which then form local 'hubs') differ across the control-continuum, from social franchising type agreements (i.e., partners would take over the Community Org model/brand locally, including training plans, courses, among others) to more license-based approaches, where a loose agreement about a joint vision would govern the relationship. Given that Community Org itself refers to these partners as 'franchises', throughout the text I will refer to 'franchisees' and 'franchises'.

Due to its variety of both successful and failed projects (e.g., regarding different hubs), the case provided high within-case variation. It is both a common (e.g., community-based) and uncommon (e.g., having scaled into different countries) case, which makes it highly relevant for my research. While the access to social entrepreneurs in developing countries, particularly those considered 'successful', is not without challenges, I was lucky to via partners and many negotiations get almost unlimited access to the case organization, as well as relevant stakeholders, including franchisees. An overview of the organization's purpose, approach, and products/services can be found in Table 1.

TABLE 1: CHARACTERISTICS OF COMMUNITY ORG

Objective' assessment	Subjective' assessment	Raison d'etre	Approach	Structure	Organization of hubs/'franchisees'
Local: Around 40 community members directly employed at HQ; around 400 community members found employment through Community Org; around 8000 people graduated from the academy; 14 technology startups were launched and supported out of the incubator. *Global:* Trained over 150 partners; around 3 mio subscribers to mobile support services.	*"[In one of our programs]...we had 20 young people and all 20 of them are in employment [now]. Two of them started businesses with [CommunityOrg]. Actually, two of them are now part of the Global Shapers. One start-up just raised her first line of funding. It's all in the space of 18 months."* (Founder). *"They feel, 'Ok I can accomplish something, someone is valuing me, I can now accomplish something', because all their lives they've been told that, 'You are worth nothing'...The cherry on the top [is when they] graduate because now you are acknowledging them...a lot of our people in the community have not finished school, so they never ever had prom, so now when you come to the graduation...now you feel, 'wow'."* (Management team member). *"Our course started last year, and within four months, we had about 55 people that graduated from our academy...all 55...listed for an advance school this year. So, it's had an impact...our goal for the end of this year: at least 200 people through our academy. Also, that we've really built a relationship with those people, and that we've given them a chance."* (Franchisee). *"After a few months, you could see the change...their grammar improved, their literacy improved, they were reading, they were consuming information, they were reading online papers, because they were now interested in this technology thing. You know, with technology, you have to be on top of your game, you can't come back next week, because there will be something new already."* (Franchisee). *"I was part of the [gang in the township] for many years...I dealt with drugs...however, then I went through the [centre]...[and] I turned my life around, and today I am a social entrepreneur."* (Former client).	To develop innovative solutions to community issues on a global scale. [Internal understanding of the term 'community': *"I would say the normal person on the street—the lady that's hanging up all the washing. So, when you drive down the street and you drive through [the district], it would be the person that's at home that nobody takes note of, that doesn't have university degree, that doesn't have pets, these are our communities. These are the people that support us the most."* (Management team member)].	Values-based training, education, and incubation. Three different 'generations' (trained lines of succession) to secure sustainability of operations.	Training centre/academy (e.g., courses on social media, entrepreneurship); technology incubator (e.g., tools, mentorship, advice); community work (e.g., (mobile) counselling); products & services (e.g., consulting); research institute (e.g., co-publishing); social franchise division (e.g., Namibia, Brazil, China).	Models vary between social franchising and network/licensing approaches, using a 'hub-approach'. *Franchisor-perspective*: *"We protect our brand, but the big thing for us is, we basically allow them to run it as separate entity, like part of a movement. So, they adhere to the values and everything...the mission and the vision, [and] they can operate it in the context that's best suited to them...They can still maintain their local identity."* (Founder). *Franchisee-perspective:* *"We got the social media lab [i.e., Community Org's part], where we're doing a lot of different courses. We have our hospice and then we have our church on the side...[Community Org] is really the skills and development part of it. That's how they form part of the whole...it's really in partnership with...Cape Town."* (Franchisee). *"I found that each one [hub] seems to be unique. We may be following more what Cape Town [main hub] does, but I think the other hubs are all using the system differently. You don't find that there's a pattern throughout."* (Franchisee).

Sources: Primary sources: interviews, internal reports; Secondary sources: Bertha Centre, 2013; Coetzee et al., 2012; Low, 2012; Parker et al., 2013.

3.3.1 Data Collection

I collected data over a time period of 20 months, from January 2012 to August 2013, and visited South Africa two times for around three weeks each. I spent time at the organization's headquarters, as well as at local franchisees and at other stakeholders such as the local universities (which were the first major local partners, providing space and access to computers). I covered the time from founding to today, and triangulated along three dimensions, namely with respect to methodology, data, and theory (Denzin, 1989; Eisenhardt, 1989; Flick, 2009).

I employed **between-method triangulation** via the use of **1) interviews**, namely a) 6 interviews with experts, investors, academics and social entrepreneurs, in order to obtain expert knowledge about the context and the most interesting potential case organizations (before the start of the study); b) 22 semi-structured interviews with management team, employees, franchisees, partners, and community members; and c) 4 follow-up interviews with experts and participating social entrepreneurs to validate the findings; **2) archival data**, including internal strategy documents, presentations, and other documents; and **3) informal observations**.

The initial **expert interviews** were used to orient myself in the field, to gain contextual information, and to clarify the dimensions and organization to be researched (selected via purposive sampling). The subsequent **semi-structured interviews** with management and key stakeholders followed a topic guide (c.f., Appendix C and Appendix D), theoretically sensitized by network-, development-, and social entrepreneurship- literatures. Based on the suggestions of experts, as well as following media- and other reports and insights, I initially included the founder of the organization, the core management team including the head of franchises and the head of academy, franchisees, (former) clients who went through the process, and other key stakeholders such as local universities and businesses. I included universities, as they initially provided the space and computers for Community Org's activities; franchisees, as they expanded Community Org's ideas into different contexts; and former clients, as they experienced the program from a 'recipient' perspective. In order to improve reliability, I taped and transcribed the interviews whenever possible (c.f., Eisenhardt, 1989), namely 18 of the interviews. In several cases, due to the personal nature of the relationships and dimensions discussed or other personal reasons, interviewees preferred to not be recorded; in these cases, I took handwritten notes. I also re-interviewed the founder as well as several key management people for clarification as well as to support establishing crucial timelines. The author's previous training in pursuing interviews (in a

market research company) assumedly further increased the reliability/dependability with respect to interview data (c.f., Flick, 2009)[16].

The **topic guide** for staff and management team had five theory-sensitized sections: introduction of the organization (e.g., 'How do you define your organization's impact?'); organizational model/scaling (e.g., 'Which internal and/or external mechanisms, processes, or conditions supported, which ones hindered growth?'); networks (e.g., 'Which challenges and/or resource needs could you overcome via these networks, which ones not?'); context (e.g., 'How do different contexts influence organizational and individual entity performance?'). The interview guide for external partners and franchisees had the same five categories, and the questions were slightly adapted (e.g., 'How does your entity relate to the organization?'). At the end of each interview, I asked the respondents to share any information they deemed relevant in addition. Following the idea that standardized interviews restrict participants' viewpoints and potentially omit relevant information (e.g., Flick, 2009), I combined question-answer sequences with narrative parts, thus facilitating **within-method triangulation** via integrating different methodological perspectives in the framework of a single method (e.g., Flick, 2009).

To further overcome potential **retrospective bias**, following Miller et al. (1997), I substantiated individual statements by asking the same question to different participants; I used free reports (i.e., allowing participants to not answer those questions that they did not have a clear understanding or memory of), and thirdly, complemented these interviews by **participant observations**, for example of meetings, workshops, and events, in order to obtain an insight into the actual enterprise practices. Purposive sampling was used to identify relevant situations (see Yin, 2003). I admit that discrimination among events and subjective impressions are not absolutely avoidable, as much as I tried to limit them. For example, as I only stayed at the organization for a duration of several weeks, while I witnessed training programs of some teams, I did not witness those of *all* teams; that is, while I tried to balance the observations, it might have been that these teams might have been more effective than others in delivering the services, or vice versa. Also, my positive interaction with some of the team members (e.g., bonding over joint activities) might have influenced how I perceived the programs. However, by explicitly laying out my procedures, and directly noting down my insights I aimed to reach a satisfying level of "quasi-objectivity". In general, in order to minimize my effects on the informants, I followed Miles &

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[16]The author had already before the study developed **'interactional expertise'** (Langley et al., 2013), namely the kind of knowledge necessary to communicate about a specific domain, by working in developing countries as social entrepreneur, researcher, and community builder over the period of over five years.

Huberman's (1994) instruction to clarify my study intentions to the participants, and used unobtrusive measures to the largest extent possible. By interviewing the whole core staff, I aimed to avoid an 'elite bias', and included potentially critical staff and stakeholders (c.f., e.g., Plowman et al., 2007). I also analyzed **multiple documents** such as business plans, internal documents, and publicly available presentations and media reports; these documents mainly served as means for contextualization. For selecting the documents, I used the four criteria of meaning ('is the evidence clear and comprehensible?'), representativeness ('is the typicality known?'), authenticity ('is it genuine evidence or a 'marketing document'?'), and credibility ('are there distortions/errors?'), and the document corpus followed purposive sampling; that is, I focused on these documents that were accessible (c.f., Flick, 2009; Scott, 1990). As a last step, I organized **follow-up discussions** with social entrepreneurs as well as several experts to validate the findings.

Finally, I attempted to **triangulate on the level of theory** by using various theoretical lenses (e.g., from the networks- and bricolage- literatures) to sensitize the topic guide and the proceedings.

3.3.2 Data Analysis

In order to be able to build a relevant, testable, and most importantly, valid theory, and to tell a coherent story, I aimed to combine empirical and analytical elements based on the analysis of themes (Eisenhardt, 1989; Flick, 2009; Miles & Huberman, 1994). Via using a coding process related to the research question, I aimed to gain both a deeper understanding of the key issue(s), as well as to identify the underlying social processes (e.g., Flick, 2009). In order to be able to focus my analysis, I used theoretical concepts from the literature in order to envision potential demarcations, without imposing them on the data. Using the logic of **theoretical saturation**, I ended the process of data interpretation once further coding was not expected to bring new knowledge (Strauss & Corbin, 1990). I aimed to understand the (success- and failure-) patterns in the data with respect to the development of networks and social capital, as well as relevant conditions, and I compiled the data focusing on the process-patterns of timer-ordered events/effects and the respective relationships. Thereby, I followed the following steps, inspired by the extant literature (e.g., Dutton & Dukerich, 1991; Flick, 2009; Miles & Huberman, 1994; Plowman et al., 2007):

1) Demarcating and aggregating emerging main themes: For each interview, I noted down emerging key themes and patterns (Dutton & Dukerich, 1991). I coded these themes (e.g.,

'making something out of nothing/material'), and tried to relate them to the two social capital types ('bonding' and 'bridging') and its three major dimensions that were instrumental to my research question (structural, relational, and cognitive social capital), while being open to other themes emerging from the data. It has been shown extensively in both developing and developed country settings that these types and dimensions are valuable in capturing phenomena related to social networks/social capital (c.f., e.g., Ansari et al., 2012; Maurer & Ebers, 2006; Woolcock, 1998).

2) Timeline: Based on the interviews, as well as observations and secondary documents, I constructed a timeline, which I edited and validated at the end of the study with several participants, and which I used to inform the findings and discussion.

3) Narrative analysis: Via analytical text, I recorded a 'story' of how Community Org developed over time, based on my empirical data (e.g., Miles & Huberman, 1994). This followed Langley's (1999) understanding that narrative analysis is particularly useful for organizing longitudinal information based on a single case. By moving from data to theory and back, over time, and relating it to the research questions, I observed patterns in the data that could be related to conditions, mechanisms, and outcomes (social capital). **Besides two major stages** ('local' and 'global'), I identified **two major conditions/contingencies** (cultural/cognitive context and technology), and **four major mechanisms** ('ideational bricolage', 'sustained championing', 'scaled bricolage', and 'decentralized connectivity'; building on the approaches of 'bricolage' and 'championing') that facilitated the development of social capital. Then, I **allocated quotations from the individual interviews and relevant documents to the major category/construct, conditions, mechanisms, and outcome.** I coded these based on category definitions of previous research as mentioned above (e.g., for 'bricolage' drawing from Baker & Nelson, 2005; Baker et al., 2003; Desa, 2011; Desa & Basu, 2013).

4) Relationship-mapping: Using NVIVO 9 (later, version 10), I related **constructs, mechanisms and conditions to organizational outcomes (i.e., bonding and bridging social capital)** in order to examine associations. This facilitated structuring and examining the data, and the use of different methods (narrative analysis and relationship mapping) purportedly triangulated the data (c.f. Flick, 2009).

I further **triangulated the data** by comparing interviews with each other, as well as with archival documents and observations. In order to improve credibility, neutrality, consistency, and transferability, I aimed to enhance **trustworthiness** as alternative criterion to traditional

criteria used in quantitative studies (c.f., e.g., Flick 2009; Lincoln & Guba, 1985) via peer-debriefing with colleagues, industry experts, 'prolonged engagement' in the field, and negative incidences, such as 'failed hubs'. I **contrasted** as much as possible **failed attempts** (failed hubs/projects) **with successful ones** (successful hubs/projects), some over time (e.g., a hub in South Africa first failed, but then was re-established/turned around). Finally, **procedural dependability** I aimed to increase by transparently detailing the process of data collection and analysis (Huberman & Miles, 1994; c.f., above). Thereby, the data showed interesting **variation over time** (stages: 'local' and 'global'), and **within the case/between projects** (e.g., failed and successful hubs), as it will be discussed in the 'findings' and 'discussion' sections.

3.4. Findings

I started this study with an intriguing research question in mind: *How and why do social ventures facilitate community social capital in the context of deep poverty?* In the following, I will discuss my findings that help elucidate this question.

Community Org emerged out of a visible need within the local community, with an appreciation of the local context and intricacies: *"It wasn't created because we saw a gap in the market and we wanted to grow a business, we saw a gap in the market that nobody was addressing because of a need."* (Founder). This insight corresponds with internal and external reports (e.g., Bertha Centre, 2013; Coetzee et al., 2012). Thereby, Community Org showed a dynamic development with respect to its activities and ambitions, and I identified two major 'stages': a 'local' stage that focused on turning the idea into practice, developing the local hub/center, and establishing the organization; and a 'global' stage that focused on expanding the organization's reach into more than a dozen locations ('hubs') around the world (c.f., Tables 2 and 3 for evidence). While the 'local' stage's beginning preceded the 'global' stage, these two stages were demarcated less in terms of time, but rather in terms of strategic challenges and resource needs (c.f., characterization of 'organizational lifecycles' above). The findings showed how bonding and bridging social capital dynamically developed, and which factors and mechanisms were associated with these; while some showed an importance throughout (e.g., different forms of bricolage), others (e.g., 'decentralized connectivity') were unique to the respective stage. The three social capital dimensions, namely cognitive (i.e., shared norms, language, beliefs), relational (i.e., trust and content of the relationship), and structural (i.e., network ties/features) social capital emerged from the data, as it will be discussed below.

3.4.1. Stage 1: 'Local'

In stage 1, Community Org focused on mobilizing initial support for the idea, developing the central hub in Cape Town, and launching and locally developing the organization (c.f., Table 2). In this stage, I observed two approaches that laid the ground for the social capital-facilitating mechanisms identified in the global stage: 'bricolage' and 'championing'.

3.4.1.1 Bricolage

The study showed evidence of a broad use of bricolage ('making do with what is at hand') within Community Org's own local community, as well as with outside actors.

Related to the local community (i.e., **'inward-focused'**), bricolage was visible with respect to labor, material, and skills. Community Org made frequent use of **labor bricolage,** i.e., it involved suppliers, customers, and others in providing works for free. It developed an appreciation of the value of engaging locals and volunteers; a former client illustrated this point: *"It started with the people and their sacrifices. So yes, I think that is probably [Community Org's] most valued commodity, the people.".* First, out of necessity, Community Org focused on labor bricolage: *"Everybody that was working for [Community Org] were volunteers, so, nobody was a paid staff member...since we had to get ourselves sustainable, we tried writing proposals to people...[but] at that time, most of the people that we were working with were gang members, and it was just not a very appealing group of people to work with."* (Founder). These positions after and after emerged into full-time positions (today, 43 people are employed by the organization). The founder illustrated this dynamic development: *"One of our board members coming on board full-time, leaving his job and coming on board full-time. I, myself taking the lead two years ago, to leave the university...and going full time, even though there was no salary. So, I think that [were] key moments in the journey of [Community Org]."*. While at first this form of labor bricolage was born out of necessity, it later developed into a standard to test and foster commitment, and a tool to engage the local community: *"Nobody comes in as...[Community Org] staff if they haven't volunteered - that is our model. So, we haven't taken anyone in and given them a salary immediately…because [then] we know that everyone is here not because of the money…They're here because they actually want to see people's lives change."* (Management team member). It also provided a way to stay entrenched in the community, and gain and keep trust: *"Many of our key people and partners are from the [local community]…it would have taken outsiders much longer to gain the trust of the community than people who live here. They understand the needs of the community, they have a similar thinking, they want the same."* (Staff member). The inward-focused labor bricolage, besides engaging the

community and building trust, also had direct practical benefits for the organization: *"We help our people grow and find solutions within themselves and the community...by doing this, we develop a big internal pool of technology consultants that sometimes deliver on our services." (Staff member).*

Besides engaging locals as they were available, Community Org also made use of **skills bricolage** (i.e., permission and encouragement of self-taught skills on the job), allowing people to develop at their own pace and into their roles. As a management team member described: *"Everyone [apart from some of the latest hires] is...growing into their roles and responsibilities. Nobody came in with, 'Because you can do that, that is yours.' Everything has really been organic, the way things have grown.".* Over time, this turned out to be an advantage rather than a disadvantage: *"It actually worked **because** they didn't have a structured way of how it must be done...they needed to teach them social media, they needed to be able to blog...they needed to tell their story online, all these things and however way they wanted to teach them, they could."* (Management team member). What started out of necessity became a tool for advancing the organization's goals; a management team member described the logic behind this: *"They used an undisciplined approach to teach them computers, not your normal computers, but more like introducing them to the web, using social media to tell their story, because that's what they had. That was really the only thing they had, was their story...this made it easier to engage everyone, because everyone has a story to share."* (Management team member). Via enabling locals to develop their identities and skills and involving them in their programs, it also helped locals to use their skillsets for the sake of the community: *"We were doing a lot of social media work, we started selling social media skills to smaller organizations. So, the same people that we were training at the time, were now going and doing consulting work, and that money would come back into the project [and thus the local community]."* (Founder).

Besides leveraging labor and skills bricolage, Community Org initially also employed **material bricolage** (i.e., using forgotten, discarded, presumed, or worn materials that are leveraged for (new) use). Many of the items needed for operations in the 'local' stage were acquired through material bricolage, for example the space that would become the organization's headquarters: *"We had one of our partners [the local community center] that was providing us a little space [and was] giving us some resources like electricity and all those things so that we can keep going."* (Founder). Community Org would often draw from the goodwill of friends and acquaintances: *"We didn't have computers at that time, and [the founder] used to borrow computers from all his friends - laptops."* (Management team member).

Community Org also connected with **actors outside the community** to gain access to resources and goodwill. With respect to **labor bricolage**, Community Org from early on fostered relationships with outside partners, particularly universities, from which they drew students and faculty to support their activities. A lecturer at a partner university illustrated this: *"We have worked with them for a longer period now…for example, making presentations together showing the project [and its impact] to our local and international visitors…because we believe what they do is increasingly important for their community and Cape Town, but most importantly, the whole country…this can be a role model for others to follow…and [Community Org's founder] is a good person to be around…this is why we work together."*.

Community Org also embarked upon outward-focused **skills bricolage**; rather than having a formal staff training mechanism, at first Community Org leveraged the resources of partners to support developing the skills of its staff on an ad-hoc basis: *"We worked with people from the local university, the local center, and so on, to help us learn the skills…it was a quite informal process."* (Staff member). The opportunity of a 'trial and error' approach supported inducing feelings of hope, and provided a shared context: *"We had international partners like [an international university]...[they] played a huge part of encouraging us, 'Go for it, do it'. Just giving us opportunities to write...research papers [with them], to present at conferences, [to learn from them], and all those kinds of things. So, our international partners I think really played a huge role in believing in us, because I think that was important, because we're pretty young…it also helped us to make friends with people internationally."* (Management team member).

Finally, **material bricolage** provided the basic resources necessary for Community Org's operations: *"We used the same equipment for people to work on and for training so we had a mad schedule going...Obviously, we didn't have computers and internet connectivity. [The founder] was still lecturing at the University, so we used their computer lab to do training with them...Then the rest of the time they used their mobile phones because they were hungry, they so wanted to blog."* (Management team member). Thereby, material bricolage provided a simple means to establish relationships with new partners that did not yet know Community Org (i.e., under conditions of no/low pre-existing social capital). A member of the management team explained: *"Then [a university]...[gave] us space to actually run computer classes and [based on this and getting to know each other] we did lots of collaborative projects [afterwards]."*. As it will be discussed below with respect to stage 2, different forms of bricolage over time developed into important mechanisms facilitating the development of social capital.

3.4.1.2 Championing

It emerged that Community Org enabled specific local community leaders, or as the organizers would refer to, 'champions', to get engaged and carry out its activities as local facilitators: *"We have very strong community leaders in Cape Town [and across South Africa]. I mean, she [local community leader] has a heart for the community and that is what we need for this."* (Founder). Accountability towards the local community, engaging its leaders, and re-enforcing existing values and norms were at the heart of this approach: *"We...chose people that would add value to the culture of [Community Org]. So, that's how the hub operates. Also...we're always accountable to community leaders. There's always that measure of accountability, it's someone that's senior in the community who's involved in the project."* (Founder). Community Org sustained this approach by focusing on the well-being and development of its champions, usually in groups; a management team member explained: *"For our facilitators/champions, we have a rule, we do a check-in and you can rate yourself between one and ten, ten being high…If they're not feeling up to a seven, then they shouldn't facilitate. That's why we work in teams. You speak to your team and say, 'I'm not feeling so good, I'll be in the background, I'll be a co-facilitator. I'm not going to stand in front', because that's the energy you're going to give off if you're going to be all depressed when the other people in the class are crying because they're sharing a sad story…This is also good for team spirit."*.

Thus, by identifying and empowering key 'champions' within the local community, Community Org developed and sustained its activities – therefore, I will label this approach 'championing' (for additional evidence, c.f., Table 2).

TABLE 2: EVIDENCE OF APPROACHES IN STAGE 1

Approaches	Labor bricolage (inward-focused)	Skills bricolage (inward-focused)	Material bricolage (inward-focused)	Labor bricolage (outward-focused)	Skills bricolage (outward-focused)	Material bricolage (outward-focused)	Championing
Local stage: "This [stage] was about [the founder] and later us organizing trainings, doing something in the community here, seeing how we can help." (Staff member).	"It started with the people and their sacrifices. So yes, I think that is probably [Community Org's] most valued commodity, the people." (Former client). "Everybody that was working for [Community Org] were volunteers, so, nobody was a paid staff member...since we had to get ourselves sustainable, we tried writing proposals to people...[but] at that time, most of the people that we were working with were gang members, and it was just not a very appealing group of people to work with." (Founder). "We help our people grow and find solutions within themselves and the community...by doing this, we develop a big internal pool of technology consultants that sometimes deliver on our services." (Staff member). "One of our Board members coming on board full-time, leaving his job and coming on board full-time. I, myself taking the lead two years ago, to leave the university...and going full time, even though there was no salary. So, I think that [were] key moments in the journey of [Community Org]." (Founder). "Many of our key people and partners are from the [local community]...it would have taken outsiders much longer to gain the trust of the community than people who live here. They understand the needs of the community, they have a similar thinking, they want the same." (Staff member). "The women that volunteered.. said, 'Wow, these guys are always on their phones, what are they doing?' So, they started talking about blogging and Facebook and all this. The women asked them, 'What about us? Aren't you going to do anything with us?'. That's when we started the mom's program...They now facilitated sessions for the moms. So, they didn't have a full background in 'this is how you teach someone.'" (Management team member). "Nobody comes in as...[Community Org] staff if they haven't volunteered—that is our model. So, we haven't taken anyone in and given them a salary immediately. That's also a different way of doing things because we know that everyone is here not because of the money, not because they need a paycheck at the end of the month. They're here because they actually want to see people's lives change." (Management team member).	"Everyone [apart from some latest hires] is...growing into their roles and responsibilities. Nobody came in with, 'Because you can do that, that is yours.' Everything has really been organic, the way things have grown." (Management team member). "It actually worked because they didn't have a structured way of how it must be done..they needed to teach them social media, they needed to be able to blog...they needed to tell their story online, all these things and however way they wanted to teach them, they could." (Management team member). "They used an undisciplined approach to teach them computers, not your normal computers but more like introducing them to the web, using social media to tell their story, because that's what they had. That was really the only thing they had, was their story...this made it easier to engage everyone, because everyone has a story to share." (Management team member). "We were doing a lot of social media work, we started selling social media skills to smaller organizations. So, the same people that we were training at the time, were now going and doing consulting work and that money would come back into the project [and thus the local community]." (Founder).	"We didn't have computers at that time, and [the founder] used to borrow computers from all his friends – laptops. So, on Friday morning we used to drive around to all his friends picking up the laptops....Then, [the local Impact Centre] gave us our own room. We used to share a room with them for some of the other sessions, and then they said we could paint it and do all our training from there and then that's when we actually started." (Management team member).	"We have worked with them for a longer period now...for example, making presentations together showing the project [and its impact] to our local and international visitors...because we believe what they do is increasingly important for their community and Cape Town, but most importantly, the whole country...this can be a role model for others to follow...and [Community Org's founder] is a good person to be around...this is why we work together." (University partner).	"We worked with people from the local university, the local center, and so on, to help us learn the skills...it was a quite informal process." (Staff member). "So, it was really just going against the grain, going against everything that you should do and we were kind of like, 'We don't want to do it that way. Let's see what happens.' But we still have a strong support. Especially the community, they really support us, in anything that we do, no matter how crazy it is, whatever it is." (Founder). "We had international partners like [an international university]...[they] played a huge part of encouraging us, 'Go for it, do it'. Just giving us opportunities to write...research papers [with them], to present at conferences, and all those kinds of things. So, our international partners I think really played a huge role in believing in us, because I think that was important, because we're pretty young...it also helped us to make friends with people internationally." (Management team member).	"We used the same equipment for people to work on and for training so we had a mad schedule going...Obviously, we didn't have computers and internet connectivity. [The founder] was still lecturing at the University, so we used their computer lab to do training with them...Then the rest of the time they used their mobile phones because they were hungry, they so wanted to blog." (Management team member). "Then [a university]...[gave] us space to actually run computer classes and [based on this and getting to know each other] we did lots of collaborative projects [afterwards]." (Management team member).	"We have very strong community leaders in Cape Town [and across South Africa]. I mean, she [local community leader] has a heart for the community and that is what we need for this." (Founder). "Africa has been drained from many resources, and the places where the resources come from, the people suffer. They still live in poverty, and we're trying to avoid that. Now, we're tapping into even a much richer resource, which is basically people, and we need to be accountable. So, we don't want to make the same mistake. So, when we go into a place...we will always be a part of the community." (Founder). "For our facilitators/champions, we have a rule, we do a check-in and you can rate yourself between one and ten, ten being high...If they're not feeling up to a seven, then they shouldn't facilitate. That's why we work in teams. You speak to your team and say, 'I'm not feeling so good, I'll be in the background, I'll be a co-facilitator. I'm not going to stand in front', because that's the energy you're going to give off if you're going to be all depressed when the other people in the class are crying because they're sharing a sad story...This is also good for team spirit." (Management team member). "We...chose people that would add value to the culture of [Community Org]. So, that's how the hub operates. Also...we're always accountable to community leaders. There's always that measure of accountability, it's someone that's senior in the community who's involved in the project." (Founder).

3.4.2 Stage 2: 'Global' stage

Community Org in the 'global' stage expanded its reach into a variety of locations around the world, including Tanzania, Namibia, and Brazil. Below, I will discuss the dynamic developments in comparison to the local stage, capturing related mechanisms that appeared to facilitate bonding and bridging capital (c.f., Tables 3 and 4 for evidence); a separate chapter will look into the emerging trade-offs between bonding and bridging that Community Org faced at this point.

3.4.2.1 Dynamic network development/bonding social capital

I observed two mechanisms that emerged in this phase, and that appeared to have an effect on bonding social capital: 'ideational bricolage' and 'sustained championing'. These will be discussed below.

3.4.2.1.1 Bonding-mechanism 1: Ideational bricolage

It emerged that staff and clients who were given freedom to build their skillsets 'on the job' during the 1st stage (skills bricolage), were now frequently used to use these skills to identify and support the 'next generations' of champions and clients (i.e., for **labor bricolage**): *"People who were volunteers, they know how it is…they [now] know what is needed. All of us went through it. Now we select the next generation, and grow with it. Nobody's perfect, we all learn along the ride."* (Staff member). By sustaining and extending community roles and interdependencies, this approach facilitated **structural social capital**: *"I was always a member of this community, it's home...I grew up here, in a rough neighbourhood…I was taking the program, I stayed, now I can help other people in the community…I can bring in real value, we help each other, it brings everyone together very closely."* (Staff member). This development *over time* helped both champions and new clients to re-enforce their identities, and build a joint spirit and identity, thus facilitating **cognitive social capital**: *"The people that generally...volunteered with us, somewhere along the line, they become much stronger. It's very weird. But something happened to them just being in this space…[and] like everybody that stayed on with [us], they eventually became employed by us anyway, and transferred it to the next generation…it's a feeling of 'we are in it together'."* (Founder). This was confirmed by reports of former clients and current staff members, some of whom described the time with Community Org as a 'transformational experience'. The increased *interaction* between community members that resulted from this labor bricolage facilitated trust and thus **relational social capital**: *"I can help others in the community now, now that*

I've been 'upped' [i.e., that I've been part of the program]...it's a good feeling to know that I can help, it is good for the community, it makes us stronger...We learn to trust each other, and see it as 'we're together, not lonely [sic] on the road'". (Former client).

Community Org also showed dynamic developments from the 1st to the 2nd stage with respect to **skills bricolage**. While in the first stage, skills of staff and clients were acquired in a trial-and-error process (c.f., above), in this stage, Community Org tried to **institutionalize skills training as much as possible, while leaving opportunities for skills bricolage open**; a succinct model that emerged was the **'multi-generation-model'**, wherein more senior members of the organization would mentor and train more junior members: *"The idea is that there is always going to be three [additional] generations in a [project], three levels in doing something...So, if you look at it, I started it, and there was someone else at Tanzania to work closely with me, who is now taking [on] a second generation, and now that person has to find someone that they can work with - the third generation...the only time that I can move away is when the fourth generation joins...So, that has always been the model that we followed. It has worked very well for us."* (Founder). This facilitated talent and succession planning and the strengthening of key community members, therefore fostering **structural social capital**: *"Having the different generations for us makes sure that there is no gaps, that we always run...it's also helping people in the community have a clear role in the community – they become stronger, [and thus in the end] we become stronger."* (Staff member). By mentoring and training the next generations of champions, a *shared context* and mindset was fostered, facilitating **cognitive social capital**: *"They have to see it, feel it, they have to be part of it, that makes them understand and relate to it...also, taking responsibility makes you feel stronger about it".* (Staff member). The *interactions* between senior and junior members *over time* further fostered trust and thus **relational social capital:** *"I'm taking some of the younger guys with me....this helps them to learn, and to become closer with us."* (Staff member).

In contrast, **less successful hubs** that did not employ this approach had issues in building reliable succession, and related social capital, as in the case of a previously failed hub: *"In [city name], it was running too fast, and there wasn't time to build their generation. That is...when this company...came in and they said, 'we will pay your salary, come and run these courses.' So, yes, I mean we don't mind, they are doing something. But of course that had a direct impact on [Community Org] [and it did not work out well]."* (Founder). A staff member highlighted the consequences**: *"They [the failed hub) did not really work, because they had no people who could come in, who were developing...they were not included enough [in the community], and the person who was needed left.".*

While labor and skills bricolage was employed, a sense of urgency regarding the hiring of outside people could be observed at the main hub: *"This is something that we've been talking about now, because we're growing and we need specific skill sets. So, most of the people that come to our academy and all of that, they don't have the necessary skill set that we know we're going to need now…We're going to kind of bring people in that can complement the areas that we need…I mean, everyone else is kind of growing into their roles and responsibilities."* (Management team member).

While both labor and skills bricolage appeared to be pillars of developing bonding social capital (c.f., evidence above and in Tables 2 and 3), I could only rarely observe the effects of **material bricolage** on bonding social capital (as it will be discussed below, this turned out to be different under changed conditions/with respect to bridging social capital). Succinctly, old loyalties with partners that helped out with space and other materials at the beginning appeared to have a positive effect on a feeling of belonging and shared fate, and thus **cognitive social capital,** as well as enhanced trust through sustained interaction, **i.e. relational capital**: *"Even for us, [if] we didn't have [the local community center] as the organization that supported us, we would not have been around. We would have given up long ago because it's not easy. Working with the people and the communities that we work in, it's very harsh. If you can't take it or you can't carry it, you need a strong organization or other people, a body of persons that's going to carry you. That brought us together."*. However, apart from this, in contrast to skills and labor bricolage, evidence for the effects of material bricolage on bonding social capital was extremely scarce.

Thus, Community Org appeared to more systematically approach the issue of resource mobilization, institutionalizing some of the (previously 'necessity-based') bricolage aspects, for example by introducing a 'next generation'-model. As this understanding of perceived advantages of bricolage and its intentional use resembles the notion of 'ideational bricolage' (c.f., Carstensen, 2011; Desa & Basu, 2013), I will take over this term to capture this approach.

3.4.2.1.2 Bonding mechanism 2: Sustained 'championing'

Community Org sustained the local 'championing' mechanism into the global stage; while expanding into different countries, the home base and local community still was a core focus: *"[Community Org] headquarters have a core group of champions [in our local community], who have been developed over a long period of time; that's priority."* (Staff

member). Re-enforcing the local community structures *over time* strengthened the **structural social capital** within the community: *"I have always been involved in helping the community; being part of [Community Org] allows me to be play a heavier part in my community - I can teach people something, I can help them, not only hand out things…but I keep my own identity, I keep my friends, make new ones, and most importantly, I keep who I am. This helps us build intimate group [sic] here, even now over longer periods."* (Staff member).

This effect was further enhanced by the rule established by the core team, namely that existing champions would take over the role of identifying the next generation of champions (c.f., above), and training them into their roles, making them feel to be important parts of the community and activities: *"It would definitely be the local champions…that are driving it…because they want to see people's lives transformed, they want to see change and they want to see a real impact…that's when you can kind of feel the heartbeat."* (Management team member). This instilled a sense of pride in the local community due to being able to provide value and fighting for the same cause, thus providing a shared context, strengthening **cognitive social capital**: *"People feel valued, they feel they mean something to us and others. It is good to see them come to join in…they are part of a real community who share similar feelings."* (Staff member). Champions and clients shared stories and feelings with each other, and interactions and *trust* were sustained, thus bolstering **relational social capital**: *"It's definitely…the champions [who are] part of the culture we try to create...If the building is empty and there's nobody there, nobody's going to feel anything. But if I'm there and I'm at the door and I'm smiling when a person comes in and I [or the other champions] say, 'Come inside, have a cup of tea', and be welcoming, that is what's going to change things. That's what makes us community, that's why they come back and back."* (Management team member).

In contrast, less successful hubs showed less committed champions, with a lack of a next generation trained into it, and a lack of joint cognitive frame: *"The hub [failed hub in South Africa] had no real establishment in their community, they had no people who could help him [the franchisee], and he moved with the bigger opportunity, he was interested in the money of it."* (Staff member). In a similar vein, a franchisee highlighted: *"What didn't work before was that they [failed hub] were focused more on bringing in the resources, and not only how to help community; it's hard to build trust that way, it's hard to feel related to it if it's only an office space."*.

While these two mechanisms, 'ideational bricolage and 'sustained championing', appeared to mostly facilitate social capital within Community Org's own community (i.e., bonding social capital; c.f., Table 3 for an overview of the evidence), I observed two mechanisms in the global stage that appeared to facilitate social capital beyond the central hub's boundaries (i.e., bridging social capital): 'scaled bricolage', and 'decentralized connectivity'. These will be discussed below.

TABLE 3: APPROACHES RELATED TO BONDING SOCIAL CAPITAL

Global stage	Approach/ mechanism*	Ideational labor bricolage	Ideational skills bricolage	Ideational material bricolage	Sustained championing
Global stage: "When we started to go global, it all went very fast - we're now in many countries, and work with international partners. It's not only our Cape Town [hub] any more, it's global." (Staff member). "We saw that this can be larger than only Cape Town....this could be around the world....in Amsterdam, in Tanzania, in Portugal, in Namibia, in Brazil...there is no limit." (Staff member). "We quickly expanded into many different locations, working with local organizations and community leaders, whom we helped to do more in their community." (Management team member).	Approach/ mechanism*	**Ideational labor bricolage:** "People who were volunteers, they know how it is…they know what is needed. All of us went through it. Now we select the next generation, and grow with it. Nobody's perfect, we all learn along the ride." (Staff member).	**Ideational skills bricolage:** "The idea is that there is always going to be three [additional] generations in a [project[, three levels in doing something…So, if you look at it, I started it, and there was someone else at Tanzania to work closely with me, who is now taking [on] a second generation, and now that person has to find someone that they can work with - the third generation…the only time that I can move away is when the fourth generation joins…So, that has always been the model that we followed. It has worked very well for us.". (Founder). "Fundamentally, I think one of the big challenges…is knowing that you have the right champion and involving the multi-generation champion is the big challenge and overcoming that is going to be key – and of course the true context presents its own challenge…it doesn't really mean that in every place we'll have to do the same stuff. It might be that you have to think of novel ways and that's one of the things the team is also learning which is very good. They have to adopt the policy." (Founder). _"In [city], it was running too fast, and there wasn't time to build their generation. That is…when this company…came in and they said, 'we will pay your salary, come and run these courses.' So, yes, I mean we don't mind, they are doing something. But of course that had a direct impact on [Community Org] [and it did not work out well]."_ (Founder).	**Ideational material bricolage:** "We had one of our partners [the local community center] that was providing us a little space [and was] giving us some resources like electricity and all those things so that we could keep going." (Founder).	**Sustained championing:** "[Community Org's] headquarters have a core group of champions, who have been developed over a long period of time. That's priority." (Staff member). "We have to really establish that in the franchises and I think that must be part of the criteria from the off set, who is the community leader that you're going to bring on board. As much as you're going to say, 'Okay, I've got a champion that is going to run the classes, someone that is going to do entrepreneurship stuff', we need to know who the community leader is that you will be accountable for." (Founder). "Some of that keeps you grounded. We have very strong community leaders in Cape Town….Africa has been drained from many resources and the places where the resources come from, the people suffer. They still live in poverty and we're trying to avoid that. Now, we're tapping into even a much richer resource which basically people and we need to be accountable." (Founder).
	Relationship with social capital*	"I was always a member of this community, it's home…I grew up here, in a rough neighbourhood…I was taking the program, I stayed, now I can help other people in the community…I can bring in real value, we help each other, it brings everyone together very closely." (Staff member). "The people that generally…volunteered with us, somewhere along the line, they become much stronger. It's very weird. But something happened to them just being in this space…[and] like everybody that stayed on with [us], they eventually became employed by us anyway, and transferred it to the next generation…it's a feeling of 'we are in it together'." (Founder). "I can help others in the community now, now that I've been 'upped' [i.e., that I've been part of the program]…it's a good feeling to know that I can help, it is good for the community, it makes us stronger…We learn to trust each other, and see it as 'we're together, not lonely [sic] on the road'". (Former client).	"Having the different generations for us makes sure that there is no gaps, that we always run…it's also helping people in the community have a clear role in the community – they become stronger, [and thus in the end] we become stronger." (Staff member). "They have to see it, feel it, they have to be part of it, that makes them understand and relate to it…also, taking responsibility makes you feel stronger about it." (Staff member). "I'm taking some of the younger guys with me….this helps them to learn, and to become closer with us." (Staff member). _"They [Johannesburg Hub] did not really work, because they had no people who could come in, who were developing…they were not included enough [in the community], and the person who was needed left."_ (Staff member).	"Even for us, [if] we didn't have [the local community center] as the organization that supported us, we would not have been around. We would have given up long ago because it's not easy. Working with the people and the communities that we work in, it's very harsh. If you can't take it or you can't carry it, you need a strong organization or other people, a body of persons that's going to carry you. That brought us together." (Management team member).	"I have always been involved in helping the community; being part of [Community Org] allows me to be play a heavier part in my community - I can teach people something, I can help them, not only hand out things…but I keep my own identity, I keep my friends, make new ones, and most importantly, I keep who I am. This helps us build intimate group [sic] here, even now over longer periods." (Staff member). "It would definitely be the local champions… that are driving it…because they want to see people's lives transformed, they want to see change and they want to see a real impact…that's when you can kind of feel the heartbeat." (Management team member). "People feel valued, they feel they mean something to us and others. It is good to see them come to join in…they are part of a real community who share similar feelings." (Staff member). "It's definitely…the champions [who are] part of the culture we try to create…If the building is empty and there's nobody there, nobody's going to feel anything. But if I'm there and I'm at the door and I'm smiling when a person comes in and I [or the other champions] say, 'Come inside, have a cup of tea', and be welcoming, that is what's going to change things. That's what makes us community, that's why they come back and back." (Management team member). _"The hub (failed hub in South Africa) had no real establishment in their community, they had no people who could help him [the franchisee], and he moved with the bigger opportunity, he was interested in the money of it."_ (Staff member). _"What didn't work before was that they [failed hub] were focused more on bringing in the resources and not only how to help community; it's hard to build trust that way, it's hard to feel related to it if it's only an office space."_ (Franchisee).

* 'Less successful' approaches underlined

3.4.2.2 Dynamic network development/''bridging'

3.4.2.2.1 Bridging-mechanism 1: 'Scaled bricolage'

An interesting mechanism facilitating bridging social capital emerged in the second stage. It combined using bricolage for the organization/community itself (see above the different types of local bricolage) with facilitating (international) platforms for franchisees to leverage bricolage in their respective hubs[17]; below, I will discuss the effects of labor, material, and skills bricolage on bridging social capital.

Community Org facilitated **labor bricolage** on the international level in different ways. First, it leveraged former staff, usually in volunteering roles, to open up new hubs in their respective home countries once they went back. A hub in Latin America exemplified this: *"We had someone...who did an internship with [Community Org]...for a couple of months and that's the person [who set up a hub when he went back to his country]."* (Founder). Second, Community Org often leveraged people they (serendipitously) met around the world, to volunteer and open up new hubs, bringing in the respective work power: *"So it means there's a need in that community and that somebody from that community [whom we met somewhere] said: 'I have the skills to do this or let me do that'."* (Staff member). While via creating this *structural diversity* and manifestation of community roles on a global level Community Org quickly facilitated **structural social capital** (*"We quickly expanded into dozens of different locations, working with local organizations and community leaders, whom we helped to do more in their community."* (Management team member)), given its quick and often unplanned attempts it faced challenges with respect to building **cognitive** and **relational social capital**, as a *lack of shared understanding* and trust sometimes prevailed: *"Some people expect some type of funding at first, or some type of money...but it's a commitment thing, too. They don't see the reason why, 'Why must I work for nothing?', 'Why work for no money?'...[it sometimes takes time to convince people]."* (Staff member). Community Org learned the importance of aligning the interests between franchisees and center, and made it a hard condition to be aligned on a labor bricolage approach: *"We just move ahead and ask them to volunteer [or don't do it]...like myself, at first we had to volunteer, like a year or two years, without being paid...but through our sacrifice, it's now what it is today."* (Staff member). That way, with time Community Org via more conscious selection of potential franchisees, and developing a shared understanding, established

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[17] As described above, I will treat partner organizations/franchisees/other hubs as 'external', i.e., as related to bridging, rather than bonding, social capital. Thus, when for example a local, non-center hub organizes a new class together with the centre, it will be treated as 'bridging' from the perspective of the center.

cognitive social capital with new and existing partners: *"We had many talks together [with the Community Org core team]…and we saw that we can understand each other…we know we want the same, and that feels good."* (Franchisee). Indeed, **successful hubs** appeared to be based around an energized core group of people that were motivated by helping their local community, rather than by monetary incentives; i.e., that showed a shared understanding: *"I had four people we started with…their hearts were ready. They wanted to do something and they weren't working, which made it even easier. I think that was great, and they were eager…and it worked…[and then] like these two people that came in with the medicine science. I think that's worth more than money to me. All the [individuals and] companies coming and saying, 'Listen, we'll take over for this year and we'd be able to teach this and we'll make sure it happens. We'll do that'. That to me is amazing."* (Franchisee). **Less successful** hubs showed the opposite tendency, being motivated by monetary incentives and other opportunities: *"It was one person [in a failed hub] basically taking up responsibility. That person got another opportunity and then left the organization…in Namibia, if I can make a comparison…there was a team of at least five or six committed youth that were willing to take up responsibility and make sure things happened. Whereas [the person in the failed hub] was just one person with support from others [and motivated by money]."* (Staff member). This lack of joint understanding led to less successful projects on the franchisee-level as well: *"We've been trying to build a relationship with [the local university] because they have the students here to do community engagement as part of their course, but I think it was just badly structured on their side. I think it was new to them, **it was something they had to do**. That was when we started, we had like 30 students who came, and I was so excited because they were diverse. They asked what we wanted, I said maybe in counseling...They all came and slowly, I think there was no order on this side…and it just dwindled out."* (Franchisee).

Community Org further developed a process of 'landscaping', where individuals or teams from headquarters would scope out the potential hub-partner and its local resources at hand by going over to the respective country, and closely interacting with the community and partners in the field. Combined, this facilitated the development of **relational capital** via creating a high level of *interactions* and *trust* before ('landscaping'), during, and after the opening of a new hub: *"We go over [to the respective potential hub], we meet the people, we see what they have, we see where we can help; it helps us to help them, and we build relationships…and go over from time to time".* (Staff member). A successful hub exemplified the approach that combined global support with local bricolage: *"Basic social media will be taught now by the people who passed last year. They've come now to do the sessions, so they're the new champions. Entrepreneurship, [Community Org's founder] offers this side of*

it. He...came and kicked off with us. Photography, also because they got someone in Cape Town, so they're going to teach. We've got avid photographers in our church so that's going to be a great course, and then the medicine science is new. We've had two young students from [the local university], who came, and they want to offer their time...So that's new to us, and they're going to be offering their time on that." (Franchisee). In addition to building relational capital between headquarters and the respective hub, the 'make the best out of what is at hand'-approach also allowed Community Org to build extended **relational social capital**, by supporting its franchisees in their bricolage-efforts and facilitating *reciprocal relationships* between the respective hub and their local resource providers; a franchisee explained: *"That's [local company] one of the places I'm trying to get my foot into [to get] extra food stuff into our warehouse. Maybe every Saturday morning give us something [food],* **and we train their staff [in return]**...*that is good for connections.".* Indeed, this creative approach provided a mechanism for people to move from 'begging' to 'producing', and to develop a feeling of self-worth and trust into each other: *"The garden is... [an] extension of [Community Org's] people to say once a month they have a social and come work in the garden, and what you plant [together] there, you can eat*. You can start doing something rather than just receiving handouts all the time. *Come out to the garden [and] get it up running, and you eat [together] after they've grown."* (Franchisee).

Community Org also appeared to leverage **skills bricolage** via a variety of ways. With respect to the center, Community Org encouraged staff to learn the 'franchisee toolbox' (i.e., templates used for franchisees) at their own pace, so that they could use it later to support the core team in expansion: *"Within the toolbox...a readymade training program with content for example is going to be a part...having the younger generations within our team understanding the toolbox...the role that they play...that toolbox allows us to do things beyond our borders...they grow into it."* (Staff member). Thereby, skills and knowledge were appropriated during the journey: *"The franchising component is still a learning experience for us. Only, I would say two years later...we actually got to a place where we can have a little bit of a model. It was basically flying this plane while we were building it...Again it came about a need for people saying, 'We need this in our country, we need it in our region, come and do this here.'"* (Founder). This skills bricolage was directly related to the **multi-generation model** touched upon above, which was applied to franchisees as well in order to manage skills bricolage in more systematic and scalable ways, allowing to build strong ties with local community leaders, thus facilitating **structural, relational, and cognitive social capital** (see above for evidence). Indeed, while **successful hubs** often operated this or similar team-based models, **less successful** hubs did not employ this 'growing into a role' approach: *"The [Community Org] model has always been, 'we must have multiple generations of people*

that can do the work'...For example, let's say you're running [the] academy, you must have at least three people that can do it from the point you leave. We have multiple generations, and in [a failed hub that was later re-established], we didn't have that. There was only this one person, and when she left, everything stopped. So, there were no people that she was mentoring and coaching to take over her part. In Cape Town, we can pull our people anytime, and it keeps on going. That is the one thing I did learn...[to include] in our franchise model. We need to have multiple generations of champions." (Founder).

Last but not least, **material bricolage** appeared to play a role in the 2^(nd) stage with respect to bridging social capital. Community Org encouraged franchisees to make the best out of materials at hand, and to leverage local resources to the full extend; a franchisee explained: *"We do find that because we have a facility and we have the space, it just made it so much easier [to follow Community Org's model], because we could just kick off. We had some computers because people gave computers, companies. The hospice is asking corporates to invest, they give you computers...We have computers, we've got the facility and I think that made it quite easy."* (Franchisee). While this approach allowed building **structural social capital** by drawing in a diverse group of stakeholders and thus enhancing *structural diversity* (*"We have different partners who bring in different things; maybe food, maybe computers, maybe space; this makes [a] good network, a lot of people that want to help from different backgrounds."* (Franchisee)), it also allowed enhancing **relational social capital** by strengthening the *interactions* and collaboration between locals and the franchisees/Community Org: *"Even in Tanzania, in the city of Darussalam, the people are different to when we go into the more rural areas. It's just a village of people and they all come in together and pull their resources together...they love [Community Org] and [local champion]."* (Management team member). The ability to leverage material bricolage by franchisees was also a way to show commitment and align interest with the center, thus facilitating **cognitive social capital:** *"What makes a good hub or franchisee is...if they can use what they have in their hands at the moment, and they utilize that to the best of their ability. Say for instance like in a desert, there was an area or region in Darussalam...there wasn't like running water...but they made use of what they had then, but it didn't stop them from continuing training...Now, they are actually our partners...[and] they will eventually come to a place where they would receive two, three laptops from [us]. But we have to see that type of commitment first and then we say, 'Okay, this is what we have to have and this is what we're willing to do.'...I think what makes a good franchisee is if we can use what you have currently and make that work for you...If you want to become sustainable...[and] you're going to apply for funding and wait for the funding to come...then it's never going to work."* (Staff member). Indeed, **successful hubs** used all facilities and materials that were available,

and started right away, without waiting for funding to come in: *"I think as far as resources [are concerned], money is always an issue, but we try not [to depend on it], and our benefit at the moment is the way we're structured here...the church is there to help and [we receive] the excess of the hospice houses...[also] we got like four printers because people gave it. As far as books or pins [are concerned], there's always someone giving. Furniture - people bring it so we can use it. So, that's an advantage for us on that side. We don't really struggle on that side of things."* (Franchisee). This approach allowed Community Org to enhance its **structural social capital, while building on the relational and cognitive social capital that existed**: *"The local community organizations, of course, they have a presence in the community already. So, that's what makes it so much easier for us to do it. So, they have a space for it, you don't have to go and find a space. You can utilize the space that they have and you can, in time, convert it into something that more or less feels like the heartbeat of [Community Org]...So at least from that perspective, it's very important that you don't have to go and buy the space. We don't have to try to form relationships from scratch...we need a base to work [from]. That has been good."* (Founder).

Less successful hubs, in turn, appeared to focus on money and planned resources from bigger partners (i.e., resource-seeking), and neglected bricolage. A hub that failed and was later successfully re-established provided a startling example for the potential strings attached to more structured funding: *"The [hub] has done phenomenally well, considering the challenges...they started something off that was a failure before…Because [earlier]…we had someone [who]…did it…[and] there was a potential funder that came in who wanted to pour money into [the local hub], but they…also wanted other organizations that they funded to come into the space…For me it was very difficult because our partner was going to be the one that was going to give up the space...then what happened was [that] the funder and that organization came, and they pinched the person that we trained, so everything fell through. It was tough…[but] what we've done now is, we went to [the city] and said, 'Listen, let's do it again.' We sent two of our key members, they spent six weeks there training up people…and now we're going to employ three people there in the hub this year. So...we learned the lesson…realizing that funding or acceleration, if it's the wrong partner, don't go for it. Rather, bootstrap."* (Founder).

While this approach of building global platforms to leverage local bricolage thus proved effective for the enhancement of (bridging) social capital, it also at times caused tensions with (potential) partners that expected financial or other incentives. A staff member explained: *"People started suddenly asking, 'Where are we going to get the resources?' Sometimes, we had [tough] discussions."*. While Community Org partly catered to this need

by supporting joint funding proposals and similar methods, it via partner-selection sorted out those organizations that did not show a general commitment to bricolage (for evidence c.f., below: 'decentralized connectivity').

Thus, 'local' (bottom up) approaches of bricolage were connected with 'global' (top-down) approaches (e.g., templates on how to engage volunteers). The extant literature has focused on bricolage as a less scalable approach (e.g., Senyard et al., 2009), and thus has not yet fully captured the phenomenon that it might be possible to provide an environment where bricolage can be multiplied and scaled (c.f., footnote above for a definition of 'scaling'). Thus, I will label this approach 'scaled bricolage'. It draws from and adds to the available 'at hand' resources of local partners/franchisees, while allowing for coherence (e.g., brand experience), as well as global knowledge sharing (e.g., with respect to curricula). It thus partly resembles the logic of social franchising (e.g., Beckmann & Zeyen, 2012), while succinctly focusing on bricolage. As a global social enterprise partner described: *"They were going in[to] different countries with their idea…they went into similar communities [as in Cape Town's township] and said 'look, this is a simple way you can take whatever you have, and make it count with the people you love'…we will help you'…and from what I have seen, this has helped make people feel stronger about himself [sic] and each other."*.

3.4.2.2.2 Bridging mechanism 2: 'Decentralized connectivity'

Community Org was organized in a hub-based structure, with Community Org's Cape Town hub at the center (c.f., 'methodology' for details). The founder explained the approach: *"We protect our brand, but the big thing for us is, we basically allow them to run it as separate entity, like part of a movement. So, they adhere to the values and everything…the mission and the vision, that they can operate it in the context that's best suited to them...They can still maintain their local identity. In many cases, they adopted a different name but they're part of the [Community Org umbrella]."*. Building on its local 'championing' approach (c.f., above), Community Org identified 'champions' (organizations or individuals) around the world that could help enhance Community Org's mission. This allowed the organization to expand into different countries around the world with a relatively small core team and few central resources (c.f., Table 1): *"We could grow fast with a very small team because we have local champions, like here in Cape Town, who are there already…they know what the local community needs, and we support them, but most of it, they are able to do themselves."* (Staff member). The idea of building a **platform** for other organizations to scale Community Org's approach allowed covering a broad range of issues, and building *structural diversity* across the world, thus expanding its **structural social capital**: *"It's about infecting*

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not just local communities like in Cape Town, but also global communities as well; because anybody who has a problem, he must speak of what it is around the world. Like say for instance in Amsterdam: we think Amsterdam...it's a developed country [sic]...But Amsterdam has its problems as well, you have the red light district, human trafficking...so each and every country has its own problems. That is what we want to impact them [the local franchisees] to making a difference...and we build a big network [or movement] by this." (Staff member). Thereby, in order to improve the sustainability of the project, Community Org selected its partners based on their reputation, as well as track record and embeddedness in the local community: *"It really goes around the local champions and the support base. That is why...there needs to be a strong organization that could be and will probably be on for a long time, because that's the only way you can actually guarantee sustainability.".* (Management team member). Furthermore, supporting and strengthening the development of robust local ecosystems fostered additional **structural social capital**: *"They need to have people already there that trust them. We can then just come in, we can do training, and they can just run with whatever it is we've empowered and enabled them with. So they don't need to still go out and find people or do calls."* (Staff member). **Less successful** projects, such as another South African hub, appeared to have only a few individuals, without much institutional embedding that could have been strengthened: *"It was just one person popping up and saying, 'How am I going to do this?'. That person has no support, which means they're going to rely on you. Since we're so far away, we can't give them the support that they need. So, they need to be part of a larger organization, even if it was a person, someone in the organization that's going to drive it, the organization as a whole [and the local community] needs to back him. So, even if it's the individual that's going to be the champion and the driver, full of passion, vision and all those things, they need to have a larger body that is supporting them. That's the important thing for sustainability. It's not so much for the financial support, but it's more just for the support because that's a big responsibility that you're taking on."* (Management team member).

Thereby, by providing support and training, Community Org established **relational social capital** via increased *interaction* with franchisees and other partners: *"A lot of the work is decentralized. So, a lot of the franchisees take ownership of their own hub. What we do is, provide support and certain skills that they need, for example if someone would need help with writing a proposal and supporting them with a little bit of...investment capital. That is also evolving innovative processes...and helps us come closer together...it's interesting that the ones working very well were franchisees that have already been doing work with the community for a while, and were [the] ones that we've seen teams go for longer periods of time."* (Founder). A franchisee explained: *"They give us training so that we know what to do*

– [through this] we have developed a good relationship.".* Indeed, **less successful hubs** tended to show a *lack of interaction* with the core team as well as their respective local community: "*The ones that are not doing too well [in terms of bringing the community together] are the ones that haven't had a lot of visits from our core hub or were groups that weren't that strongly established in the community as we anticipated. So clearly, that is why that's becoming part of our requirement, that in the first year, when you become a new hub, we at least visit it three times a year...and we stay two to three weeks per visit.*" (Founder).

Via the selection, as well as continuous support, Community Org built a *shared vision* with its local hubs (i.e., facilitated **cognitive social capital**), and its reputation had a reinforcing effect: "*We [benefit from] other people being creative...Usually people [say]: 'We heard so many good things about your organization...we want to be part of it'…It's a trustworthy brand and...we work hard in keeping it like that….people can relate to it then.*" (Staff member). A core pillar for this cognitive alignment turned out to be the community-rootedness of the respective partner-organization; a major difference between successful and less successful hubs appeared to be the local acceptance and buy-in of local champions, as well as a clear understanding of expectations. A staff member highlighted: *"I think [successful champions]...see early on what they kind of get into – basically they realized that it is never going to be about us based in Cape Town. It was all about them, their community, and what they could come up with as an organization. Part of the [Community Org] movement, supported by us in Cape Town – but it is for them to come up with something that is their own. Once they...take ownership of it, then success will automatically happen. But when people don't really see that vision, they don't get that. Then it's really difficult. We can try and try on our end but yes, it is going to be on our energy, and you can only do as much."*.

As this approach allowed Community Org to combine its brand name and expertise (i.e., a connective 'top-down' element) with the decentralized, local buy-in/championing of partners entrenched in local communities (i.e., a 'bottom up' element), I will label this mechanism 'decentralized connectivity'. Similar to 'scaled bricolage', it resembles aspects of social franchising and replication (e.g., Weber et al., 2012), yet is goes beyond the mere replication of an idea/business model, and centers around enabling whole local ecosystems around key champions, as it will be discussed further in the 'Discussion'-section.

As mentioned above, both 'scaled bricolage' and 'decentralized connectivity' **were complemented** by an **increasingly formalized central effort by the Community Org team to structure processes and standards**. The team remained cautious to not curb creativity, while

keeping the center relevant enough for the respective partners, for example by supporting local partners/franchisees with elements such as funding proposals or technology: *"We don't want to over-structure it, but most probably, I think if you are looking at raising money for it, structure is always going to be required. So, we're basically now creating structure based on our informal experience…If they [franchisees] need support from a funding perspective, we don't write or give them the money, but they would co-write proposals, because some of them might not be strong or big enough to get funding, so they access the money channel through the same coop, and then it feeds back to the franchisee. Also, if it comes to them wanting to utilize some of the innovations that we have, we allow them to use some of the technologies, and some of the processes."* (Founder). Table 4 provides an overview of the evidence.

While the above discussion already implicitly or explicitly included some of the dynamics between bonding and bridging capital, in the following I will briefly discuss their interplay, a gap identified in the extant literature (e.g., Ansari et al., 2012).

TABLE 4: APPROACHES RELATED TO BRIDGING SOCIAL CAPITAL

Approach/mechanism*	Scaled labor bricolage	Scaled skills bricolage	Scaled material bricolage	Decentralized connectivity
	Scaled labor bricolage: *"We had someone…who did an internship with [us]…for a couple of months and that's the person [who set up a hub when he went back to his country]."* (Founder). *"So it means there's a need in that community and that somebody from that community [whom we met somewhere] said: 'I have the skills to do this or let me do that'."* (Staff member). *"Basic social media will be taught now by the people who passed last year. They've come now to do the sessions, so they're the new champions. Entrepreneurship, [Community Org's founder] offers this side of it. He…came and kicked off with us. Photography also because they got someone in Cape Town so they're going to teach. We've got avid photographers in our church so that's going to be a great course and then the medicine science is new. We've had two young students from [the local university] who came and they want to offer their time…So that's new to us and they're going to be offering their time on that."* (Franchisee). *"It was [a local university in] Namibia. They had an organization…that partnered with [them]…They worked with students and past students of the university. They got them trained up in entrepreneurship and innovation. They basically had a community of students that they were working with."* (Staff member). *"They were going in[to] different countries with their idea…they went into similar communities [as in Cape Town's township] and said 'look, this is a simple way you can take whatever you have, and make it count with the people you love…we will help you'…and from what I have seen, this has helped make people feel stronger about himself [sic] and each other".* (Social enterise partner).	**Scaled skills bricolage:** *"Within the toolbox…a readymade training program with content for example is going to be a part…the key aspect of that will be having the younger generations within our team understanding the toolbox…the role that they play…that toolbox allows us to do things beyond our borders. At the same time it's going to be, as things are growing, there's going to be a need for other individuals to come in and to fill certain gaps and to do certain things, while we take care of other areas. So, there's always going to be a need to fast tech developments. No panic, but just in a sense like preparation, I could say that."* (Staff member). *"The franchising component is still a learning experience for us. Only, I would say two years later…we actually got to a place where we can have a little bit of a model. It was basically flying this plane while we were building it…Again it came about a need for people saying, 'We need this in our country, we need it in our region, come and do this here.'"* (Founder). *"Since…he couldn't do all the work he would like to do, [Community Org's founder] and I sat down…[and] I started traveling going…I can remember the first international trip was to Tanzania and we spent about two weeks, so it was basically lack of knowledge and foundation like for what was to come…The project…was a bit overwhelming…but…it was really good to meet people, network and stuff like that."* (Staff member). *"We're all learning as we're all going along…and we see what we can do to take away stuff if it doesn't work and we put into place new things that could possibly work and [like that] we're also building the model."* (Staff member).	**Scaled material bricolage** *"I think there's not just one trick amongst all of us I think, but it's unique ways of using what is available to you then. I think that's it."* (Franchisee). *"We do find that because we have a facility and we have the space it just made it so much easier [to follow Community Org's model], because we could just kick off. We had some computers because people gave computers, companies. The hospice is asking corporates to invest, they give you computers…We have computers, we've got the facility and I think that made it quite easy."* (Franchisee).	**Decentralized connectivity:** *"We protect our brand, but the big thing for us is, we basically allow them to run it as separate entity, like part of a movement. So, they adhere to the values and everything…the mission and the vision, that they can operate it in the context that's best suited to them…They can still maintain their local identity. In many cases, they adopted a different name but they're part of the [Community Org umbrella]."* (Founder). *"We could grow fast with a very small team because we have local champions, like here in Cape Town, who are there already…they know what the local community needs, and we support them, but most of it are able to do themselves."* (Staff member).
Relationship with social capital*	*"We quickly expanded into dozens of different locations, working with local organizations and community leaders, whom we helped to do more in their community."* (Management team member). *"We just move ahead and ask them to volunteer [or don't do it]…like myself, at first had to volunteer, like a year or two years, without being paid…but through our sacrifice, it's now what it is today."* (Staff member). *"We had many talks together [with the Community Org core team]…and we saw that we can understand each other…we know we want the same, and that feels good."* (Franchisee). *"I had four people we started with…their hearts were ready. They wanted to do something and they weren't exactly which made it even easier. I think that was great and they were eager…and it worked…[and then] like these two people that came in with the medicine science. I think that's worth more than money to me. All the [individuals and] companies coming and say, 'Listen, we'll take over for this year and we'll be able to teach this and we'll make sure it happens. We'll do that'. That to me is amazing."* (Franchisee). *"We go over [to the respective potential hub], we meet them, we see what they have, we see where we can help; it helps us to help them, and we build relationships…and go over from time to time."* (Staff member). *"That's [local company] one of the places I'm trying to get my foot into [to get] extra food stuff into our warehouse. Maybe every Saturday morning give us something [food], and we train their staff [in return]…that is good for connections."* (Franchisee). *"The garden is… [an] extension of [Community Org's] people to say once a month they have a social and come work in the garden and what you plant [together] there, you can eat. You can start doing something rather than just receiving handouts all the time. Come out to the garden [and] get it up running, and you eat [together] after they've grown."* (Franchisee). <u>*"Some people expect some type of funding and that's good…but it's a commitment thing, too. They don't see the reason why, 'Why must I work for nothing?', 'Why work for no money?'…[it sometimes takes time to convince people]."* (Staff member).</u> <u>*"It was one person [in a failed hub] basically taking up responsibility. That person got another opportunity and then left the organization…in Namibia, if I can make a comparison…there was a team of at least five or six committed youth that were willing to take up responsibility and make sure things happened. Whereas [the person in the failed hub] was just one person with support from others [and motivated by money]."* (Staff member).</u> <u>*"We've been trying to build a relationship with [the local university] because they have the students here to do community engagement as part of their course, but I think it was just badly structured on their side. I think it was new to them, it was something they had to do. That was when we started, we had like 30 students who came, and I was so excited because they were diverse. They asked what we wanted, I said maybe in counseling…They all came and slowly, I think there was no order on this side…and it just dwindled out."* (Franchisee).</u>	*"The [Community Org] model has always been we must have multiple generations of people that can do the work…For example, let's say you're running [the] academy, you must have at least three people that can do it from the point you leave. We have multiple generations and in [a failed hub that was later re-established], we didn't have that. There was only this one person and when she left everything stopped. So, there were no people that she was mentoring and coaching to take over her part. In Cape Town, we can pull our people anytime and it keeps on going. That is the one thing I did learn…[to include] in our franchise model. We need to have multiple generations of champions."* (Founder). *"The [partner] organization must have a really strong interest in the people. So, it must be an organization that really serves the people and loves the people. They must not go and try, like okay we're going to try to see what we can do. It must be people who have already been involved in the community…So, values and interest in the community that's something that extremely critical. The skills development can come, I think that's probably almost secondary, but it's important if you know what you can offer to the community."* (Staff member).	*"We have different partners who bring in different things; maybe food, maybe computers, maybe space; this makes [a] good network, a lot of people that want to help from different backgrounds."* (Franchisee). *"Even in Tanzania, in the city of Darussalam, the people are different to when we go into the more rural areas. It's just a village of people and they all come in together and pull their resources together…they love [Community Org] and [local champion]."* (Management team member). *"What makes a good hub or franchisee is…if they can use what they have in their hands at the moment and they utilize that to the best of their ability. Say for instance like in a desert, there was an area or region in Darussalam…there wasn't like running water…but they made use of what they had then, but it didn't stop them from continuing training…Now, they are actually our partners…[and] they will eventually come to a place where they would receive two, three laptops from [us]. But we have to see that type of commitment first and then we say, 'Okay, this is what we have to have and this is what we're willing to do.'…I think what makes a good franchisee is if we can use what you have currently and make that work for you…If you want to become sustainable…[and] you're going to apply for funding and wait for the funding to come…then it's never going to work."* (Staff member). *"I think as far as resources [are concerned], money is always an issue, but we try not [to depend on it], and our benefit at the moment is the way we're structured here…the church is there to help and [we receive] the excess of the hospice houses…[also] we got like four printers because people gave. As far as books or pins [are concerned], there's always someone giving. Furniture - people bring it so we can use it. So, that's an advantage for us on that side. We don't really struggle on that side of things."* (Franchisee). *"The local community organizations, of course, they have a presence in the community already. So, that's what makes it so much easier for us to do it. So, they have a space for it, you don't have to go and find a space. You can utilize the space that they have and you can, in time, convert it into something that more or less feels like the heartbeat of [Community Org]…So at least from that perspective, it's very important that you don't have to go and buy the space. We don't have to try to form relationships from scratch…we need a base to work [from]. That has been good."* (Founder). <u>*"The [hub] has done phenomenally well, considering the challenges…they started something off that was a failure before…Because [earlier]…we had someone [who]… did it…[and] there was a potential funder that came in who wanted to pour money into [the local hub], but they…also wanted other organizations that they funded to come into the space….For me it was very difficult because our partner was going to be the one that was going to give up the space…then what happened was [that] the funder and that organization came and they pinched the person that we trained, so everything fell through. It was tough…[but] what we've done now is, we went to [the city] and said, 'Listen, let's do it again.' We sent two of our key members, they spent six weeks there training up people…and now we're going to employ three people there in the hub this year. So…we learned the lesson…realizing that funding or acceleration, if it's the wrong partner, don't go for it. Rather, bootstrap."* (Founder).</u>	*"It's about infecting not just local communities like in Cape Town, but also global communities as well; because anybody who has a problem, he must speak of what it is around the world. Like say for instance in Amsterdam: we think Amsterdam…it's a developed country…But Amsterdam has its problems as well, you have the red light district, human trafficking…so each and every country has its own problems. That is what we want to impact them [the local franchisees] to making a difference…and we build a big network [or movement] by this."* (Staff member). *"They need to have people already there that trust them. We can then just come in, we can do training, and they can just run with whatever it is we've empowered and enabled them with. So they don't need to still go out and find people."* (Staff member). *"A lot of the work is decentralized. So, a lot of the franchisees take ownership of their own hub. What we do is, provide support and certain skills that they need, for example if someone would need help with writing a proposal and supporting them with a little bit of…investment capital. That is also evolving innovative processes…and helps us come closer together…it's interesting that the ones working very well were franchisees that have already been doing work with the community for a while and were ones that we've seen teams go for longer periods of time."* (Founder). *"They give us training so that we know what to do – [through this] I have developed a good relationship."* (Franchisee). *"We [benefit from] other people being creative…Usually people [say]: 'We heard so many good things about your organization…we want to be part of it'…It's a trustworthy brand and…we work hard in keeping it like that…people can relate to it then."* (Staff member). *"I think [successful champions]…see on what they kind of get into – basically they realized that it is never going to be about us based in Cape Town. It was all about them, their community and what they could come up with as an organization. Part of the [Community Org] movement, supported by us in Cape Town – but it is for them to come up with something that is their own. Once they…take ownership of it, then success will automatically happen. But when people don't really see that vision, they don't get that. Then it's really difficult. We can try and try on our end but yes, it is going to be on our energy and you can only do as much."* (Staff member). *"It was just one person popping up and saying, 'How am I going to do this?'. That person has no support, which means they're going to rely on you. Since we're so far away, we can't give them the support that they need. So, they need to be part of a larger organization, even if it was a person, someone in the organization that's going to drive it, the organization as a whole [and the local community] needs to back him. So, even if it's the individual that's going to be the champion and the driver, full of passion, vision and all those things, they need to have a larger body that is supporting them. That's the important thing for sustainability. It's not so much for the financial support, but it's more just for the support because that's a big responsibility that you're taking on."* (Management team member). <u>*"The ones that are not doing too well [in terms of bringing the community together] are the ones that haven't had a lot of visits from our core hub or were groups that weren't that strongly established in the community as we anticipated. So clearly, that is why that's becoming part of our requirement, that in the first year, when you become a new hub, we at least visit it three times a year…and we stay two to three weeks per visit."* (Founder).</u>

* 'Less successful' approaches underlined

3.4.3 Dynamic interplay between bonding and bridging

I observed both positive and negative interactions between bonding and bridging. While most of the above discussion implicitly assumed their positive interplay, this was also directly observable, as exemplified by a management team member with respect to **increased legitimacy in the local community due to bridging activities**: *"Our first international franchise was in Portugal. It's like we had to go international before - and only now, the local people are saying, 'Wow, we want [to be part of] this'. We were like, 'We were actually around for a long time'."*. Thus, an increased bridging activity appeared to have a positive effect on local activities. In contrast, particularly the **limited resources posed a major constraint** to engage in both bonding and bridging activities at the same time**.** With respect to the early stage, a staff member illustrated that this was a challenge with regard to issues such as working with outside partners while engaging locals: *"Getting to offer certain products and services to other corporates or organizations, and at the same time not spreading ourselves thinly for the sake of…the [local] community…Also, encouraging them to see how they can effectively use it for the benefit of our organization and the community [was a challenge]."*. In later stages, limited **human resources** posed a major constraint: *"We also have to realize that at home, the main focus is the operation, and it's a lot of work if you're taking most of the senior team all over, it does affect what's left back home and you don't want to severely injure that."* (Founder). In a similar vein, a staff member illustrated the trade-off between increased bridging activities and its implications on local operations: *"Here at our base, there are a lot of developments taking place. Our courses are increasing, our youngest staff have to take on certain responsibilities, conducting training which our core team used to do. So the balance… how are we going to keep the focus between growing and keeping things together at the same time?"*.

In the following, I will focus on the additional major **conditions/contingencies** that emerged as barriers and/or accelerators of the development of social capital throughout the study, both with respect to bonding and bridging social capital.

3.4.4 Major conditions/contingencies regarding the development of social capital

3.4.4.1 Emotional and cultural context

Given the pronounced role of emotional uplifting, hope, and motivation, Community Org's activities appeared to be contingent upon its staff being psychologically stable enough to cater these messages, and its clients *receptive* enough to receive these: *"Something really important about [Community Org] is that it's all about making people feel stronger, give*

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them hope; we need them to be open to it, we need to understand their fears, we need to see how we can see their emotions, and the local understanding of things. This is a really important thing to understand before doing a project; you need to be strong for this." (Staff member). Daily 'check-ins' with staff and clients, replicated in other hubs, allowed to identify these contingencies: *"We [and other hubs] do a check-in, which is great. Not always will they be honest, but you can see where they're at. Maybe today Liza wanted to do blogging...but 60% of the class aren't in a good place. So, let's rather go and do something we did last week, because they're going to be more comfortable [like this]…so, it really becomes personal and you get involved with people."* (Management team member). Establishing the appropriate conditions necessitated the provision of an appropriate environment for clients to feel emotionally at home: *"You need to be energized, you need to be on top of things, you need to know what you're talking about...even if people aren't paying for this, you must always make sure that you give them the best. When you're serving coffee, that needs to be the best coffee…it's part of creating the environment…They [the facilitators] must really want to do it. They can't just be there because no one else would do it. It can't be done with that attitude."* (Management team member). These conditions appeared to facilitate a context of shared respect and understanding, and thus bonding social capital, as a staff member highlighted: *"We find that if there is fresh coffee brewing in the place when you come in, [people say] 'wow it smells nice'...[and] those people would think, 'wow, these people are not just giving me instant coffee, they actually value us'…This makes an environment where people feel they can share, they belong, they open up, they become open to learn and do."* (Staff member). With respect to **bridging social capital,** while the establishment of **structural social capital** appeared to become less difficult over *time* due to increased visibility and introductions (*"Today, many people know [of] us…allover the world, people get introduced, people say 'we want to be part of [Community Org]'…this is good, because it makes it easier to build the movement, to expand [Community Org], and to work with partners from everywhere, any place."* (Staff member)), reaching a *common vision* and shared context and thus facilitating **cognitive social capital** appeared to be less difficult with organizations that inhibited similar attitudes and mindsets, and easier fostered **relational social capital** via increased *interactions* over time: *"The most challenging thing is...when we collaborate with a local community organization, [that] the heartbeat is the same. Where the people kind of feel the same about them and actually share 'how it is for us', and talking about it. I think for many people, if they have an experience…it's not something they can learn and start doing, it must be part of you. That's what's important for us…it's always finding the right partner. It will be different in different contexts. For instance, [if Community Org] chose you, they have people as well that's part of their community, that will do anything because they want to be part of it. They believe in it…That builds stronger relations."* (Management team member).

Community Org needed to adapt to local languages and traditions to be able to establish **(cognitive) social capital**: *"The men sit around, they have meetings and talk, but nothing is done. So…just really being open to that sort of **landscaping** is very important. Getting to know the culture and at least learning a few local words, so [that] at least you can greet them in their language. Just like I have to know of what's culturally acceptable and what it isn't."* (Management team member). A successful franchisee illustrated the dynamics of (potentially changing) mindsets and emotional openness: *"I think the people I have in place now understand it. They got the vision…They've seen the rewards. When we did our graduation [of the first batch of Community Org students in that hub] they saw different. My own daughter, she's the youngest. She's never really been into this. We've always been into community, but she's always like, 'Why would they do that?'. Last year, she's been coached. She can't believe she could make such an impact in people's lives. So, I think the kind of support we need is really to show us how to grow our [Community Org] more, and to give us their support as far as training. That is something we need.*" (Franchisee).

In contrast, in **less successful hubs**, the emotional frames were often not aligned with Community Org's spirit; a management team member highlighted: *"It will be different in [different] contexts. For instance...for them [partners in a specific hub] initially it was, 'I'm just thinking of my career because my family paid money to send me to university, I need to go back to support my family', and all those things. So, the mindset is different...That's why we say that it's more about the values...it's naïve for us to think that everywhere else is going to be like here, because it's not.".* Indeed, the conditions in **less successful hubs** displayed non-aligned mindsets and lack of commitment: *"[When] the partners form their particular hub, they push the changes, say for instance, it's [a youth organization]...[which] is saying we need infrastructure housing...they are not speaking one language, they just speak on behalf of their own organization or their own interest, and I think that would make a bad community. If the partner is not on the same page and they aren't transparent...that usually goes sour afterwards [and impedes] collaboration."* (Staff member). Community Org tried to tackle these challenges by paying increased attention to the alignment of values: *"We adapted quickly in places where it really was accelerating, I guess it was really to find partners that had the same culture to move here, with the same sense of community-drivenness – which was very good for us. In turn, for us, we are at a stage where we can be very picky whom we choose as partner."* (Staff member).

A limiting **cultural condition** that proved particularly relevant for building global **bridging social capital** was the **disapproval of the concept of volunteerism** in some contexts: *"The*

big challenge comes in when in some cultures people expect there's no volunteering...saying, 'Listen, we're not going to fail you, but it is a no-go [to not be paid].' It's difficult to get people to think ahead, and that is why a big thing is always going to be about the mindset thing...if we want to be able to build the global network." (Founder). Particularly with respect to more skilled human resources this partly proved challenging, as a management team member explained: *"Because we are growing now, we need these different skills, [but] how do we get these different skill sets that we are needing now, and how do we get it because those people wouldn't just come in because they wouldn't volunteer.".*

Lastly, the **culturally** determined perceptions of **gender** and **seniority** proved to be a potential barrier; especially gender expectations had a big influence on the direct operations and (cognitive and relational) **social capital development** of Community Org, as a female management team member explained: *"Especially in the countries where the women don't have a voice. I think it was in Namibia and in Tanzania, we bring in everyone, all together, for training. So, there would be some sessions where I say [to a male colleague],..'You need to take a lead on this because they're going to be more receptive to a male.' Those are things that we need to accept, I mean the culture. For instance…when we go to Zanzibar, because it's predominantly Muslim, the people walk with their Muslim men, mainly. So, [when] there's a female and I'm young and one of them actually asked me, 'Do you know what you're talking about?'...If I was in another country, I would have had a different attitude, but I couldn't, because I'm in their space, so I needed to be respectful...I needed to suck it up. So, we have to be really open to what their culture is. How you address people especially in the more rural areas, the community leaders who are male, you need to respect them and the way you speak to them...[This has an effect on how we can build trust with them, and get to the same page]".* Upon learning about these potentially hindering conditions, Community Org responded by adjusting its (landscaping-) processes and allocating male team members to those locations that had cultural preconceptions: *"[Now]…the person who does the landscaping...reports back to the team, and they need to say, 'Listen, this is the type of culture that you're going to be going into. Be prepared for these types of challenges because of male versus female in African culture'. So we know, if there's an African culture that is totally male dominant, we're not going to necessarily send a lead person who is female, because they're not going to be keen and really open to learning from her. Even though she might have a lot of knowledge and information that she can share with them."* (Staff member). Given the young age of Community Org's and partners' staff, **seniority/age differences** played a role as well: *"You have to understand the culture...Some senior people will say stuff, are very serious, and freak out. Some other African cultures, so for them it might seem different what I'm saying, because I'm a [young and] humorous guy. I might cut*

a joke, but they might not be impressed, because I'm [a] young guy...the way you approach [it is crucial], be cautious, and try to understand at first. Also, the important thing is, you have to have a local champion that understands his people...culture does play a very important part." (Staff member).

Thus, Community Org's activities and social capital development appeared contingent upon the cultural and emotional frame and mindset/attitudes of its employees, as well as its partners and the communities they operated in. Understanding and tackling these cultural and emotional conditions and dimensions also facilitated the use of (culturally sensitive) technology, as it will be discussed below.

3.4.4.2 Embedded technology

While technology was part of Community Org's service portfolio, it also played a role as a platform allowing for global interaction and connectivity: *"For us, technology is not only there to help solve direct problems, like with [our own mobile service product]; it's here to help us build the community, to help us to grow, to let people communicate better, and also many times to keep people together over different locations and so on."* (Staff member). Technology such as social media enabled Community Org to foster its **social capital**: *"I spend a large part of my time online, and it's actually just talking to people in the community, they'll write a message on my wall, I have to check when is their birthday...so that I can send them a birthday message. If they put up an update that their husbands need to go into the hospital, I'll make sure I've seen the message. With more and more people coming through, that's a lot of time, but that's what's important, for people to know that you care. I think before, people would say, 'The social media is not like a personal thing', but with the amount of people you have to be in contact with, and the amount of time it takes when you need to drive to everybody who is sick and bring them some flowers or something, it's going to take a lot of time. But to be able to do it via social media, and just to stay connected - because now it's instant, it's not so much of a wait."* (Management team member). Technology also supported Community Org, its franchisees, and clients, to develop **structural social capital**: *"I'm pushing the social media because it's the way they could advertise easy, they could sell their stuff, they could tell people what they're busy with. To me that's how I sell it to most of the moms when they come. Just another way, you baking at home and you're only making those ten dozen cakes or whatever. If you're on Facebook, tell the world out there, 'Listen, I'm here. I'm in your street.' Although in the community you find everyone knows everybody's business, who's doing what, but still you could extend your business out there, and lots of*

them are excited about that. They find new people, they build new relationships and new business easier." (Franchisee).

Staff and clients, both at the center and in local hubs, were enabled to tell their stories to a broader audience, and to share their emotional and professional feelings: *"Most people have Facebook. They love Facebook...You find with the older ladies, lots of them love writing. They got stories to tell because of their lives, of what's happening and they love blogging...They love putting them out there, and it's a nice way too, because you can see what people are going through emotionally. There's a counseling site on our site…so you can see people's need. You can see where they're at and what's happening, and then later I could follow them. My daughter would say, 'Mom, may we speak to Krazzile, she's really down, and we need to blog and look at some of the things', and then I could again phone her and I could say, 'Are you okay?'. In my own way, and that was the best part I think: I found out of it and we do a check-in."* (Franchisee). This nurtured **relational social capital** via increasing *interactions* and *trust*: *"I always find that even though it's a written thing, you still can feel where that person is. The emotions are still there. I think e-mailing, it's easy and quick; Facebooking is easy, it's quick, and you do get an emotion out of it. I think you can. That's the way you can trust someone."* (Franchisee). It provided a facilitating rather than hindering condition for **successful projects** to **sustain this relational capital** *over time*, beyond the core engagement period*: "If you do need to travel, you don't need to start from scratch [when using social media]…[and] even people that come in to our academy, you're [still] part of [Community Org], there's no end date, there's no expiration date. So, people who have been in our academy three years ago, you meet them in the street, and they still talk to us. They still pop in, and they still check our Facebook fan page…I think the big thing is, people always feel that they're part of it, because we always have key people updated of what's happening...So, it doesn't matter if you can't be there, you can still kind of comment and update on other people's projects. You can still kind of say, 'I love everybody in Cape Town.'"* (Management team member). Similarly, embedded technology allowed **successful projects** to exponentially increase *interactions* across borders: *"The people who haven't actually visited the places, actually interact and engage with them…they're getting to know the people in the franchises on a personal level, because it is really about that."* (Management team member). Indeed *joint purpose*, *mutual trust,* and collaboration were fostered under these conditions, facilitating (**cognitive** and **relational) social capital**: *"Social media has definitely made it easier to connect with one another, with people across borders. Basically, there's no barrier…we can collaborate, we come up with something together that people can actually use despite race, color, background, borders or whatever. In that sense, it brought*

people together, and we're able to discuss. Everybody has value to offer and everybody is on the same page." (Staff member).

In contrast, **failed projects** lacked the expansion of contacts, the increased interaction with people, and a shared understanding; a **major failed attempt** showed the **consequences of putting technology first:** *"We developed a tech solution which was driven by internal needs, internal resources, not community...we did not ask them first what they actually needed. People did not use it, they did not really relate to it."* (Staff member). **The lack of acceptance in the local community led to the abandoning of the project and technology** (Founder). Community Org drew its insights from it, as a staff member admitted: *"We realized that rather than coming up with new fancy technology, we should use the technology people anyways use, like simple mobile phone[s] or sometimes Facebook, and integrate our services into these, **to really be part of peoples' lives**…and share with them".* Thus, the lack of buy-in/framing in the failed project hindered (leveraging) the development of **social capital**, and the success of the service: *"We were not successful…because we did not understand that it's better to use technology people anyways use, and then build around this, not introduce something new that nobody uses, and finds hard to adapt to [if they can even afford It in the first place]."* (Staff member).

However, even if technology was socially embedded, this **online component needed to be complemented by an offline component**, especially in some African contexts*: "Even with the franchises, once the relationship starts, it will always be there, and that's what the internet allows us to do—which makes it a bit easier to do. I think what the mentoring and support that we need give, we do lots of Skype calls and e-mails back and forth. But we found that, especially in the African countries, they're not really good with follow-up e-mails, you actually have to pick up the phone and phone them [as well as visit]. So, that's something that we discovered. Just a phone call, once every second week, just checking in how they're doing and all of that…that's important to keep it together over longer periods."* (Management team member).

Table 5 summarizes the evidence regarding the two conditions.

TABLE 5: CONDITIONS

	Emotional and cultural context	Embedded technology
Condition	*"Something really important about [Community Org] is that it's all about making people feel stronger, give [sic] them hope; we need them to be open to it, we need to understand their fears, we need to see how we can see their emotions, and the local understanding of things. This is a really important thing to understand before doing a project; you need to be strong for this."* (Staff member). *"We [also] do a check-in which is great. Not always will they be honest but you can see where they're at. Maybe today Liza wanted to do blogging...but 60% of the class aren't in a good place. So, let's rather go and do something we did last week, because they're going to be more comfortable [like this]...so, it really becomes personal and you get involved with people."* (Franchisee). *"You need to be energized, you need to be on top of things, you need to know what you're talking about...even if people aren't paying for this, you must always make sure that you give them the best. When you're serving coffee, that needs to be the best coffee...it's part of creating the environment...They [the facilitators] must really want to do it. They can't just be there because no one else would do it. It can't be done with that attitude."* (Management team member). *"Before you go [you need to make sure the promised] resources [e.g., flipcharts] are what they actually have. Like in some places they say, 'No, we have this, we have that.'...in some cultures people don't like to disappoint you...I just think I find it important to ask: 'Are you sure you have that? It's no pressure if you don't have it, I can bring one.'....[and then], you come there, ... [and] you find yourself without."* (Staff member). *"You have to understand the culture...Some senior people will say stuff, are very serious, and freak out. Some other African cultures, so for them it might seem different what I'm saying because I'm a [young and] humorous guy. I might cut a joke but they might not be impressed because I'm young guy...the way you approach [is crucial], be cautious and try to understand at first. Also, the important thing is you have to have a local champion that understands his people...culture does play a very important part."* (Staff member).	*"For us, technology is not only there to help solve direct problems, like with [our own mobile service product]; it's here to help us build the community, to help us to grow, to let people communicate better, and also many times to keep people together over different locations and so on."* (Staff member). *"We realized that rather than coming up with new fancy technology, we should use the technology people anyways use, like simple mobile phone[s] or sometimes Facebook, and integrate our services into these, to really be part of peoples' lives....and share with them."* (Staff member).
Relationship with social capital*	*"We find that if there is fresh coffee brewing in the place when you come in, [people say] 'wow it smells nice'...[and] those people would think, 'wow, these people are not just giving me instant coffee, they actually value us.'...This makes an environment where people feel they can share, they belong, they open up, they become open to learn and do.".* (Staff member). *"Today, many people know [of] us...allover the world people get introduced, people say 'we want to be part of [Community Org]'...this is good, because it makes it easier to build the movement, to expand [Community Org], and to work with partners from everywhere, any place."* (Staff member). *"The most challenging thing is...when we collaborate with a local community organization, [that] the heartbeat is the same. Where the people kind of feel the same about them and actually share 'how it is for us', and talking about it. I think for many people, if they have an experience...it's not something they can learn and start doing, it must be part of you. That's what's important for us...it's always finding the right partner. It will be different in different contexts. For instance, [if Community Org] chose you, they have people as well that's part of their community, that will do anything because they want to be part of it. They believe in it...That builds stronger relations."* (Management team member). *"The men sit around, they have meetings and talk, but nothing is done. So...just really being open to that sort of landscaping is very important. Getting to know the culture and at least learning a few local words, so [that] at least you can greet them in their language. Just like I have to know of what's culturally acceptable and what it isn't."* (Management team member). *"I think the people I have in place now understand it. They got the vision...They've seen the rewards. When we did our graduation [of the first batch of Community Org students in that hub] they saw different. My own daughter, she's the youngest. She's never really been into this. We've always been into community, but she's always like, 'Why would they do that?'. Last year, she's been coached. She can't believe she could make such an impact in people's lives. So, I think the kind of support we need is really to show us how to grow our [Community Org] more, and to give us their support as far as training. That is something we need."* (Franchisee). *"We adapted quickly in places where it really was accelerating, I guess it was really to find partners that had the same culture to move here with the same sense of community-drivenness – which was very good for us. In turn, for us, we are at a stage where we can be very picky whom we choose as partner."* (Staff member). *"[Now]...the person who does the landscaping...reports back to the team, and they need to say, 'Listen, this is the type of culture that you're going to be going into. Be prepared for these types of challenges because of male versus female in African culture'. So we know, if there's an African culture that is totally male dominant, we're not going to necessarily send a lead person who is female, because they're not going to be keen and really open to learning from her. Even though she might have a lot of knowledge and information that she can share with them."* (Staff member). <u>*"It will be different in [different] contexts. For instance...for them [partners in a specific hub] initially it was, 'I'm just thinking of my career because my family paid money to send me to university, I need to go back to support my family', and all those things. So, the mindset is different...That's why we say that it's more about the values...it's naïve for us to think that everywhere else is going to be like here, because it's not."*</u> (Management team member). <u>*"[When] the partners form their particular hub, they push the changes, say for instance, it's [a youth organization]...[which] is saying we need infrastructure housing...they are not speaking one language, they just speak on behalf of their own organization or their own interest, and I think that would make a bad community. If the partner is not on the same page and they aren't transparent...that usually goes sour afterwards [and impedes] collaboration."*</u> (Staff member). <u>*"The big challenge comes in when in some cultures people expect there's no volunteering...saying, 'Listen, we're not going to fail you but it is a no-go [to not be paid].' It's difficult to get people to think ahead, and that is why a big thing is always going to be about the mindset thing...if we want to be able to build the global network."*</u> (Founder). *"Because we are growing now, we need these different skills, [but] how do we get these different skill sets that we are needing now, and how do we get it because those people wouldn't just come in because they wouldn't volunteer."* (Management team member). *"Especially in the countries where the women don't have a voice. I think it was in Namibia and in Tanzania, we bring in everyone all together for training. So, there would be some sessions where I say [to a male colleague],..'You need to take a lead on this because they're going to be more receptive to a male.' Those are things that we need to accept, I mean the culture. For instance...when we go to Zanzibar, because it's predominantly Muslim, the people walk with their Muslim men, mainly. So, [when] there's a female and I'm young and one of them actually asked me, 'Do you know what you're talking about?'...If I was in another country, I would have had a different attitude, but I couldn't, because I'm in their space, so I needed to be respectful...I needed to suck it up. So, we have to be really open to what their culture is. How you address people especially in the more rural areas, the community leaders who are male, you need to respect them and the way you speak to them....[This has an effect on how we can build trust with them, and get to the same page]."* (Female management team member).	*"I spend a large part of my time online, and it's actually just talking to people in the community, they'll write a message on my wall, I have to check when is their birthday...so that I can send them a birthday message. If they put up an update that their husbands need to go into the hospital, I'll make sure I've seen the message. With more and more people coming through, that's a lot of time, but that's what's important, for people to know that you care. I think before, people would say, 'The social media is not like a personal thing', but with the amount of people you have to be in contact with and the amount of time it takes when you need to drive to everybody who is sick and bring them some flowers or something, it's going to take a lot of time. But to be able to do it via social media, and just to stay connected - because now it's instant, it's not so much of a wait."* (Management team member). *"I'm pushing the social media because it's the way they could advertise easy, they could sell their stuff, they could tell people what they're busy with. To me that's how I sell it to most of the moms when they come. Just another way, you baking at home and you're only making those ten dozen cakes or whatever. If you're on Facebook, tell the world out there, 'Listen, I'm here. I'm in your street.' Although in the community you find everyone knows everybody's business, who's doing what, but still you could extend your business out there and lots of them are excited about that. They find new people, they build new relationships and new business easier."* (Franchisee). *"Most people have Facebook. They love Facebook...You find with the older ladies lots of them love writing. They got stories to tell because of their lives of what's happening and they love blogging...They love putting them out there and it's a nice way too, because you can see what people are going through emotionally. There's a counseling site on our site...so you can see people's need. You can see where they're at and what's happening, and then later I could follow them. My daughter would say, 'Mom, may we speak to Krazzile she's really down and we need to blog and look at some of the things', and then I could again phone her and I could say, 'Are you okay?'. In my own way, and that was the best part I think: I found out of it and we do a check-in."* (Franchisee). *"I always find that even though it's a written thing, you still can feel where that person is. The emotions are still there. I think e-mailing it's easy and quick; Facebooking is easy, it's quick and you do get an emotion out of it. I think you can. That's something that we discovered. Just a phone call, once every second week, just checking in how they're doing and all of that...that's important to keep it together over longer periods."* (Management team member). *"I'm pushing the social media because it's the way they could advertise easy, they could sell their stuff, they could tell people what they're busy with. To me that's how I sell it to most of the moms when they come. Just another way, you baking at home and you're only making those ten dozen cakes or whatever. If you're on Facebook, tell the world out there, 'Listen, I'm here. I'm in your street.' Although in the community you find everyone knows everybody's business, who's doing what, but still you could extend your business out there and lots of them are excited about that. They find new people, they build new relationships and new business easier."* (Franchisee). *"Social media has definitely made it easier to connect with one another, with people across borders. Basically, there's no barrier...we can collaborate, we come up with something together that people can actually use despite race, color, background, borders or whatever. In that sense, it brought people together and we're able to discuss. Everybody has value to offer and everybody is on the same page."* (Staff member). *"Even with the franchises, once the relationship starts, it will always be there, and that's what the internet allows us to do—which makes it a bit easier to do. I think what the mentoring and support that we need give, we do lots of Skype calls and e-mails back and forth. But we found that, especially in the African countries, they're not really good with follow-up e-mails, you actually have to pick up the phone and phone them [as well as visit]. So, that's something that we discovered. Just a phone call, once every second week, just checking in how they're doing and all of that...that's important to keep it together over longer periods."* (Management team member). *"Social media enables an interest, a purpose that ties them in. So, yes probably as a connection, the relation to the purpose is really different.We've got people that have been with us for a long time. They don't come to the centre anymore, but they keep on updating, commenting all the time. That thing is "Social media enables an interest, a purpose that ties them in. So, yes probably as a connection, the relation to the purpose is really different.We've got people that have been with us for a long time. They don't come to the centre anymore, but they keep on updating, commenting all the time. That thing is quite interesting, even though they're far, they see what's happening, as if they're there. So, for example when one of our guys got married, so everybody that [isn't there can 'like' it], you know what I mean. It's that kind of different way of how people just kind of rally together, purely because of that connection of that purpose or the interest."* (Founder). *"It [social media] definitely does deepen it and make it stronger. We can check in with one another a lot more often than if social media wasn't there. We can discuss things and we can sometimes just have occasional conversations. This strengthens the relationship between two parties. When you go back there and there isn't that barrier of, 'Okay, where do we start this conversation? Where did we end up the last time?' We'd be in constant contact with one another and we just pick up where we left off."* (Staff member). *"On my social platforms...everybody can see what I do, updates...because what it does, like it has a strong sense of belonging. Many times, people that I haven't spoken to in a while would come and follow this journey with what is it that you do, and then immediately get that just and then okay, boom! In some cases, people can respond immediately...It's interesting because even on our Facebook page, most of the people that come to the academy, because I also have guys who like our Facebook page and follow us on Twitter... it's around 8000 people...It's interesting because the way it's happened now is that from afar this is a way to maybe kind of keep knowing what's happening. So, even if not here they can become part of it. That's why I see for me technology and social media is crucial."* (Founder). <u>*"We developed a tech solution which was driven by internal needs, internal resources, not community....we did not ask them first what they actually needed. People did not use it, they did not really relate to it."*</u> (Staff member). <u>*"We were not successful....because we did not understand that it's better to use technology people anyways use, and then build around this, not introduce something new that nobody uses, and finds hard to adapt to [if they can even afford It in the first place]."*</u> (Staff member).

* Hindering conditions are underligned

3.5. Discussion

While many ventures in resource-constrained environments/at the BoP have been shown to destroy rather than enhance or stabilize social capital (c.f., e.g., Ansari et al., 2012; Bateman, 2010; London et al., 2010; McFalls, 2007), Community Org and its franchisees contrasted these by being able to, for many parts, build and maintain both bonding and bridging capital, enfranchising previously disenfranchised people and creating "social opportunity" (Woolcock, 1998: 172). The findings illustrated how bonding and bridging social capital dynamically developed over time, and which mechanisms and conditions helped or hindered facilitating the development of cognitive, relational, and structural social capital, and thus helped answer my research question: '*How and why do social ventures increase community social capital?'.* While some approaches appeared to be relevant throughout the lifecycle (e.g., different forms of bricolage), others (e.g., 'decentralized connectivity') were unique to the respective stage and type of social capital. Thereby, especially in the later stage, variation could be observed, as the hub-/franchise-system allowed drawing comparisons between successful and less successful projects. Below, I will briefly discuss the theoretical implications of my study, and the contributions I hope to make with this work.

3.5.1. Dynamic network-/social capital- development

A major gap identified in the extant literature is the question of with whom actors connect, and which specific resources they exchange, especially *over time* (Kilduff & Brass, 2010; Maurer & Ebers, 2006). My findings indicate which different actors play a major role at which points in time (e.g., local champions in the first stage), and how these roles change over time and to which effect (e.g., local champions in the second stage becoming franchisees in local hubs, supporting the development of bridging social capital). They also indicate which specific resources are exchanged: by demarcating the different dimensions of cognitive, structural, and relational social capital, as well as their interactions, it was possible to capture resource-exchanges over time (e.g., volunteering evolving as an institutionalized approach of providing human resources, first on the local level ('bricolage'), later on the global level (e.g., via 'scaled bricolage')). Thereby, the two identified lifecycle stages that helped demarcate temporal dynamics roughly correspond with the opportunity recognition and launch stages (stage 1), as well as growth and sustained growth stages (stage 2) identified by earlier studies (e.g., Busch & Barkema, 2012; c.f., chapters above). Thus, this study builds on and goes beyond studies that focus on *how* actors connect (e.g., Maurer & Ebers, 2006), by specifying **with whom what is exchanged *over time***.

3.5.2 Interplay bonding and bridging social capital

Another gap identified in the literature has been the question of how bonding and bridging capital interact with each other (e.g., Ansari et al., 2012). My findings showed both negative and positive interactions. Enhanced bridging capital (e.g., via internationalization) had a positive effect on bonding social capital when it enhanced local legitimacy via this global 'validation'. The other way round, Community Org leveraged existing bonding social capital to enhance bridging social capital, e.g., by having strong ties (e.g., former local staff) becoming bridging ties (e.g., opening up a hub somewhere else), and building a trusted platform that allowed combining closure and dense networks with broad reach/diversity (also c.f., below: discussion on 'decentralized connectivity'). However, I could also observe negative interactions, particularly with respect to the trade-off concerning resources, such as material and human resources (e.g., the same management team members being responsible for both global expansion and local development, and thus needing to make choices). This was related to a second trade-off, namely keeping a strong shared identity and sense of belonging while expanding fast, and potentially diluting the feeling of community. Thus, my findings build on the notion that bridging and bonding capital can be complementary (e.g., Woolcock, 1998; Woolcock & Narayan, 2000), but add the clarification of trade-offs in the case that both forms of social capital do exist (i.e., going beyond the matrix of Woolcock (1998) and others discussed in the literature review), demonstrating the positive and negative intricacies their dynamic interplay might involve under different conditions.

3.5.3 Novel antecedents/mechanisms of social capital development

A major gap in the literature, identified both in the social capital-/networks- literature (e.g., Maurer & Ebers, 2006; Portes, 1998), as well as the development literature (e.g., Woolcock, 1998), has been the clarification of mechanisms that build, foster, and/or sustain social capital. This study introduced several novel antecedents and mechanisms, which will be discussed below. Following the extant literature (e.g., McAdam et al., 2001), I assume that mechanisms often are part of broader logics/processes and thus interact with, complement, or build on each other. Thus, below I will group together the relevant constructs that appeared to form a common logic/process: 'Championing', 'sustained championing', and 'decentralized connectivity' focus on empowering local multipliers ('champions'); and 'bricolage' on 'making do with what is at hand', both a) at the local level and b) at scale ('scaled bricolage'). This discussion will also allow to fill another gap in the management literature (c.f., e.g., George et al., 2012), namely on how bottom up and top down

approaches can be combined to achieve desirable organizational outcomes (in my case, social capital and innovation).

3.5.3.1 (Sustained) championing and decentralized connectivity

My findings showed how the empowerment of local community leaders ('champions') can lead to both bonding (via 'sustained championing') and bridging (via 'decentralized connectivity') social capital. **Bonding social capital** was facilitated over time via re-enforcing and enhancing the status of local community leaders (facilitating structural social capital), re-enforcing local norms and values (facilitating cognitive social capital), and stabilizing and expanding existing relationships and interactions (facilitating relational social capital); Community Org sustained this by having champions nurture the next generation of champions, and giving them a platform to add value to each other. At the same time, it over time facilitated **bridging social capital**, by combining a top-down element (e.g., brand name, expertise, training) with a bottom up element (e.g., empowering partners to lead their own hub), complementing local resourcefulness/capacity with a global platform ('decentralized connectivity'). This approach allowed building a diverse network (structural social capital) fast while staying locally embedded, and via increased interaction (e.g., training of franchisees) it facilitated relational social capital. Via selection, as well as continued support, giving idea ownership to hubs, and establishing accountability, Community Org built shared visions and buy-in with and in their hubs, developing cognitive social capital. Less successful projects within Community Org showed lower levels of interaction with Community Org (i.e., potentially lower relational social capital), and/or did not align with the joint vision (cognitive social capital).

Thus, my findings illustrate the importance of combining local co-creation (esp. enabling bonding social capital) and global platforms (esp. enabling bridging social capital) in order to develop community social capital at scale. Community Org involved its community and clients not only as users/consumers, but *over time* also as producers, and in some cases even as new leaders of whole hubs/franchises, i.e., local co-creators. This partly corresponds to findings in the social franchising literature (e.g., Beckmann and Zeyen, 2012; Weber et al., 2012), which maintain that ownership of the respective individuals driving the scaling process is essential, yet comes not without sacrifices and tensions (e.g., with regard to the request for volunteering). My study expands these insights by clarifying the specific mechanisms ((sustained) 'championing', 'decentralized connectivity') that facilitate this process as well as the development of bonding and bridging social capital, and how they influence these different social capital forms in different ways, over time.

These insights also contribute to the clarification of the unique contributions a 'hub firm' can make despite its lack of real hierarchical power, a gap identified in the network literature (e.g., Dhanaraj & Parkhe, 2006). My study builds on the idea that networks can be orchestrated pro-actively (e.g., Dhanaraj & Parkhe, 2006; Maurer & Ebers, 2006). However, in contrast to the assumptions of established lenses in the management literature, such as the resource- and knowledge- based views (e.g., Barney, 1991) or traditional network-approaches (e.g., Dhanaraj & Parkhe, 2006), rather than protecting their ideas and IP (e.g., the content of training programs), in my study these were disseminated broadly by Community Org in order to facilitate the mission of the organization: to 'infect' as many people as possible. Thus, assumptions such as that resources should be 'inimitable' or 'unique' (e.g., Barney, 1991; Dhanaraj & Parkhe, 2006) might not hold for these types of organizations; quite the opposite, the easier imitable and available resources and capabilities, the more valuable they might be for scaling (community) social capital. This ecosystem-enabling helped both franchisees and clients to build their own social capital, and to grow together with the organization. By partly giving their programs away (i.e., decreasing the level of control, c.f., e.g., Ahlert et al., 2008), Community Org was able to increase its social capital/performance. Thus, while traditional network orchestration papers (e.g., Dhanaraj & Parkhe, 2006) are based on the core assumption of self-interest of all players, my findings indicate that an 'enlightened self-interest' (e.g., Baker, 1999), namely supporting/empowering others to 'copy' their ideas and grow their individual impact while growing the impact of the whole, might yet be an effective way for value creation (as maximizing value appropriation is not necessary/aimed for), and thus the ultimate objective for community-focused organizations such as Community Org. Thus, I contend that the respective objective of the organization (focused on for-impact or for-profit?) might determine the contribution a hub orchestrator can make; in this case of community-based (social) enterprises, this might be to maximize partners' value creation by creating a global value- and action-frame that enables these to 'imitate' and contextualize each other's' ideas and approaches.

3.5.3.2 Role of bricolage

My findings indicate that two succinct bricolage- mechanisms were at work during the study: in the first stage, regular bricolage (inward- and outward- focused); in the second stage, 'ideational bricolage' facilitated and sustained bonding social capital, while 'scaled bricolage' extended bridging social capital. Thereby, the complementarity with resource-seeking approaches was visible with respect to sustaining the central organization (c.f., 'ideational

bricolage'), while 'scaled bricolage' played an important role in scaling the actual reach of the organization (rather than the organization itself, as e.g., in terms of number of central employees). While over the course of the study bricolage turned out to be a major facilitator of social capital (and thus makes a contribution as novel mechanism to the social networks/capital literature, c.f., literature gaps mentioned above), this study makes two additional contributions to the management literature, namely a) looking at how bricolage theory could be expanded to look at the enfranchisement of the previously disenfranchised (c.f., e.g., George et al., 2012) and the conditions of when this is the case, and b) the characteristics of and conditions under which bricolage can be used to scale community social capital on the global level.

a) Expanding bricolage theory

While all three forms of bricolage (labor, skills, material) were first employed out of necessity (among other reasons due to a lack of 'structured' resources), over time the use of particularly labor and skills bricolage became an institutionalized aspect of Community Org's work, as it allowed for increased experimentation and networking. Indeed, labor bricolage over time developed into a standard to test and foster commitment of partners (e.g., franchisees), and a tool to engage the respective local community (c.f., 'scaled bricolage').

Interestingly, *over time*, **it became visible how the different forms of bricolage might be related to each other, and to social capital**: Community Org combined the skills bricolage in the first stage with labor bricolage in the second stage: clients and staff that in the first stage were enabled to build their skillsets 'along the way', were frequently leveraged in the second stage to identify the next generation of potential champions and clients (facilitating structural social capital), and employed as teachers and even franchisees. This in turn helped to re-enforce and develop (joint) identities (facilitating cognitive social capital), and increase interdependencies and trust (facilitating relational social capital). Thus, my findings suggest that bricolage can, under certain conditions, be an effective way to enfranchise previously disenfranchised populations, and facilitate the development of both bonding and bridging social capital. Rather than only being a tool of 'last resort' and if resources are not readily available (as most of the literature treats it; c.f. e.g., Senyard et al., 2009), it indeed can function as an effective means for enhancing social capital/social venture performance.

Moreover, by analytically separating bricolage into the three dimensions of material, labor, and skills bricolage (c.f., e.g., Desa, 2011; Desa & Basu, 2013), my findings suggest clear relationships between those and the different social capital types (bonding and bridging) and their respective dimensions (cognitive, relational, structural). Interestingly, while labor and

skills bricolage showed clear positive effects on *bonding* social capital, the effects of material bricolage were limited. This was strikingly different from the effects on *bridging* social capital, where labor and skills bricolage played a smaller role (as most of the needs were covered by the local community), but where material bricolage played a major role, as it allowed for 'an inexpensive excuse' to engage with outside partners, and to develop relationships over time. Indeed, outward-focused bricolage appeared to provide a fertile 'testing ground' to establish enough trust and joint vision to develop deeper collaborations.

Furthermore, the three bricolage-dimensions seem to have **different effects under different uses/conditions**: while labor and skills bricolage consistently showed positive effects on both bonding and bridging dynamics (as they engaged the population in reciprocal interactions, among others), material bricolage appeared to mostly draw from existing social capital (e.g., leveraging old friends), while only facilitating the development of social capital in specific cases (e.g., when it served as a basis for building trust and getting to know each other). Particularly, when social capital was already existent (e.g., friends offering their laptops), the effect appeared to be limited, and only in more outward-focused approaches material bricolage appeared to facilitate additional social capital. In contrast, if social capital was already existent, particularly labor bricolage turned out to be an effective way to build further trust (relational capital), and alignment of visions and interests (cognitive social capital). This builds on the view that social capital often emerges as a by-product of problem-solving – successful collaboration can lead to incitement to develop deeper collaborations (e.g., Anderson, 2008; Cooke & Morgan, 1998), and adds a nuanced picture of different bricolage- dimensions and their (performance-) effects under different conditions (here: pre-existing vs non-pre-existing social capital).

b) 'Scaled bricolage' as effective resource-mobilization on the global level

My findings showed an interesting mechanism not yet established in the literature, namely 'scaled bricolage'. It combined using bricolage for the organization/community itself with facilitating platforms for others (e.g., franchisees) to leverage bricolage. Thereby, local (bottom up) approaches of bricolage were connected with global (top-down) approaches (e.g., templates on how to leverage local bricolage; platforms supporting bricolage). While successful projects facilitated the development of structural, relational, and cognitive social capital via leveraging former staff, institutionalizing volunteering approaches, and replicating the local Community Org model (c.f., above with respect to the individual bricolage dimensions), less successful projects tended to also build structural social capital, yet lacked cognitive and relational social capital (e.g., by not establishing a joint understanding of vision and outcomes, or lacking a multi-generation approach). Community Org also used scaled

bricolage as a tool to establish alignment with the respective organizations, and test commitment; while successful hubs were able to employ bricolage, less successful hubs tended to have a focus on resource-seeking (e.g., financial support from the center, grants), which often distracted from their core mission and caused tensions with the center. Community Org complemented the local bricolage approaches with centralized support, e.g., supporting joint grant proposals, if these were not at the expense of local enfranchisement/bricolage. Thus, my findings illustrate that organizations such as Community Org might consciously or unconsciously decide against a 'resource-seeking/optimization approach' (e.g., Desa & Basu, 2013) even on a global level, in order to be able to integrate the previously disenfranchised, to allow for experimentation, and to test partners.

Recent papers on enterprise bricolage tend to stipulate that firms that use bricolage might successfully do so at a small/local level (c.f., 'ideational bricolage', e.g., Desa & Basu, 2013), but that scale usually rather necessitates 'resource-seeking' approaches (e.g., Senyard et al., 2009). A tricky (implicit) assumption in this part of the literature appears to be that the organization itself needs to be scaled in order to scale its outputs/outcomes. While this might be the case in traditional enterprises, my study shows that the fact that mechanisms such as 'decentralized connectivity' allow to keep a very small core team, while scaling up the reach of the organization, **might change this assumption.** Rather than needing to raise large funds for the center (i.e., employing 'resource-seeking' approaches) as it might usually be needed to scale an organization (e.g., due to high central HR-costs), by employing a 'decentralized connectivity' approach, Community Org 'outsourced' much of the need for resources to the local hubs; which in turn, given their small-scale operations, could respectively draw on (local) bricolage efforts. Thus, the logic of 'decentralized connectivity' might be an effective way to circumvent the issue of bricolage being inherently un-scalable; and thus, decrease the importance of (central) resource-seeking approaches. This does not, however, exclude the idea that both approaches can be complementary; indeed Community Org used both bricolage and ad-hoc resource-seeking in order to balance the need for resources at the center with the opportunity of (local) bricolage.

Thus, while my findings partly correspond with insights in the extant literature with respect to the idea that organizations tend to employ resource-seeking for expansion (e.g., Desa, 2011; Desa & Basu, 2013), they extend these by showing that 'scaled bricolage' might be a sophisticated approach towards leveraging bricolage globally, rather than only locally. Thus, they contrast some of the implications of recent papers (e.g., Senyard et al., 2009) that suggest that ventures employing bricolage often create successful small projects, yet do not

really scale, as idiosyncratic approaches and processes that suit one context might not be applicable to another. Indeed, Senyard et al. (2009) found that while bricolage was positively related to performance at the emerging stages of firm creation, it had negative effects at later stages 'once the firm is up-and-running' (ibd.: 2). My findings indicate that this needs not be the case, if scaled via 'localized' approaches. Thus, bricolage might be scalable if scaling is not about the organization itself, but rather its activities and reach; by leveraging nurturing platforms that empower partners to 'make do' in their respective contexts (and incentivizing them to do so, e.g., via the logic of volunteerism at its heart).

3.5.4 Contingencies/conditions of social capital-/network- development

Another major gap identified in the extant literature has been the question of the contingencies/conditions under which social capital is an asset or a liability, and *how and when* bridging and bonding social capital are effective (e.g., Ansari et. al, 2012; Maurer & Ebers, 2006). Two major contingencies/conditions emerged from my data: 'emotional and cultural context', and 'embedded technology'.

a) Emotional and cultural context

My findings indicated the importance of a safe environment ('platform') for people to exchange their ideas, feelings, and resources, and to 'pick people up at the right emotional state' (e.g., staff only allowed to train if emotionally stable; clients asked if they were ready to take in more), which facilitated *bonding* social capital, as people were *receptive* to exchange. Social capital development appeared to be contingent upon selected partners having similar mindsets; in less successful projects, differences in 'heartbeat' and mindsets played a role. Interestingly, these were subject to change: in some cases, after seeing Community Org's outcomes with their own eyes, franchisees and staff would understand the vision, and align their ideas. A major limiting factor in this respect was the *disapproval of the concept of volunteerism in some contexts*, as well as cultural pre-conceptions (e.g., regarding gender and age), that played against the spirit and culture of Community Org, which was decidedly volunteer-, youth-, and partly female-driven. These findings build on and expand upon discussions on the conditions of social capital and its potential outcomes, which often have been limited to 'Western' insights, e.g., focusing on the motivation and ability of individuals to engage in interactions (e.g., Nahapiet & Ghoshal, 1998), neglecting these potentially limiting cultural and cognitive conditions discussed in this study.

b) Embedded technology

The study's findings highlighted the conditions under which core mechanisms/social capital can be facilitated or hindered by technology; while 'dis-embedded technology' was related to failure (e.g., due to a lack of buy-in by the local community), 'embedded technology' was indicative to be an enabling condition for the development of social capital, allowing for stories to be shared locally and globally, sustaining relationships, holding people accountable, and allowing an expansion of the cognitive and temporal boundaries of social capital. This builds on findings in the ICT-literature (e.g., Evoh, 2009; Paylou & Majchrzak, 2002), highlighting the importance of local community buy-in and offline components for the efficacy of technology, as well as papers regarding social control mechanisms (e.g., McKague & Oliver 2012). In addition, my findings indicate how 'embedded technology' can potentially influence the 'natural' boundaries of social capital (usually restrained by cognitive and temporal limits), by allowing interacting with a larger number of people on a trusted level (for discussions on these cognitive limits see e.g., Nahapiet & Ghoshal, 1998; Sullivan & Ford, 2013). Unfortunately, it goes beyond the scope of this paper to discuss the interesting implications of new technology (esp. social media) for the assumptions that underlie much of network theory (e.g., 'proximity' might not need to be conceptualized via the social graph, but rather the interest graph; 'homophily' might need to be re-conceptualized, etc.), but I do hope that the above insights may trigger exciting research on these themes.

3.6. Limitations and future research

While I tried to assemble the study as carefully as possible, there are several limitations that need to be addressed. First, the issue of generalization: A case study that focused on an organization that as a mission has to empower disempowered people is not representative for a majority of organizations, less so on a global level. However, given that the organization does have very 'typical' aspects (e.g., being community-embedded), and does represent a 'good practice' case with high within-case variation, it provided a fertile ground for exploration of social capital dynamics. A quantitative follow-up study could test the emerging insights on a broader scale to enhance representativeness.

Secondly, the matter of endogeneity has to be raised; mechanisms/antecedents that facilitate the development of social capital (e.g., bricolage) might themselves build upon pre-existing social capital (c.f., 'discussion'); in-depth research on the feedback loop between social capital and the discussed mechanisms, as well as potentially re-iterative relationships, could be fruitful.

Thirdly, it is inherently difficult to demarcate the boundaries of community-based organizations, as they are often fluid and dynamic. For this study, following the extant literature (e.g., Peredo & Chrisman, 2006), I demarcated the unit of analysis by focusing on the local organization ('hub') and its local community, which then justified the use of 'bonding' (internal to this group) and 'bridging' (external to this group) social capital. Thereby, while Community Org resembles a community-based enterprise on most dimensions, it certainly is an approximation rather than an ideal type.

Last but not least, while most of the study is written in a way suggesting that processes and mechanisms related to social capital can be pro-actively 'orchestrated' and planned, many of these were evolving out of intuition rather than planned in advance. Following the understanding of Plowman et al. (2007), I contend that 'social capital development' often happened without the respective individuals/groups pro-actively thinking about each step; much about it was emergent, rather than strategically planned (c.f., e.g., Mintzberg, 1978), and appeared logical at hindsight. Indeed, while it goes beyond the scope of this paper, elucidating the role of (curated) serendipity and its relationship with social capital could be fruitful (c.f., e.g., Busch & Egan, 2014).

4. Concluding remarks: Limitations of the thesis and further research

Most of the limitations of this thesis have been related directly to the respective papers. However, there are several general limitations with regard to my work, which open up fruitful avenues for further research. While this research has an exploratory and theory-building focus, I acknowledge that the limited number of cases might pose questions of representativeness/generalizability.

While the procedure allowed for a deeper analysis and exploration of underlying processes, there is a risk that not all patterns identified can be transferred to other contexts. Therefore, a (quantitative) follow-up study could develop testable propositions, test the hypothesized relationships, and extend these to other settings, both with regards to different countries and industries, and thereby increasing the generalizability of the research findings.

Furthermore, while a conceptual paper could have been focused on formulating a few distinct hypotheses, I decided to focus on synthesizing a typology and derive insights related to it – these insights could be used in future variable-based papers to derive testable hypotheses, or theoretically sensitize case-based work (c.f., next chapters).

Moreover, while I was controlling for major aspects such as industry and institutional environment (e.g., 'country'), there are other exogenous variables which I only considered peripherally or not at all: gender, prestige, social class occupation, tenure, memberships in organizations, among others. Theories of homophily, for example, would suggest that actors will try to forge ties to those actors who are similar to themselves (e.g., Coleman, 1957; McPherson et al., 2001). It is however beyond this explorative research to take into account all of these variables, and I focused on these recommended by key literature and experts. Further research could expand on my findings, and take these variables into account.

While the use of perceptual measures balanced the information-rigidness in Kenya and South Africa and facilitated a deeper and richer understanding of the observed relationships, it could be argued that this subjective information potentially biases the results. However, its use is consistent with the pragmatic approaches of scholars facing similar challenges in emerging economies (e.g., Acquaah, 2007; Park & Luo, 2001; Peng & Luo, 2000), and I aimed to balance these with more objective measures such as available 'objective' performance data.

Moreover, while I took on perspectives from both management and sociology, I had to blend out other perspectives that might have been fruitful, such as research on multinational companies (e.g., Kostova & Roth, 2003) or cross-sectorial partnerships (e.g., Selsky & Parker, 2005). While all these perspectives might have the potential to shed new light on the above mentioned challenges, the approaches (e.g., Nahapiet & Ghoshal, 1998) have been chosen for their explanatory power with respect to the success patterns of social entrepreneurs and their predictive abilities, therefore providing a micro-foundation for understanding performance at the BoP and providing value both for theory and practice (see Vermeulen, 2007).

Finally, my view on social capital/networks has been instrumental in the first two papers, i.e., I assumed that network ties are tools rather than an end in themselves, which in effective networks has been shown to often be the case (see also Koka & Prescott, 2002). However, in order to balance this view, Chapter 3 explicitly treated social capital as an outcome, which has been suggested by much of the development literature (e.g., Woolcock, 1998; Woolcock & Narayan, 2000). Further research could explore the intriguing potential feedback-loops of (social venture) performance on social networks/capital.

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Earlier drafts of parts of the thesis, as well as additional thoughts, have been used for presentations at several conferences (e.g., the Academy of Management Conference), as well as for publication in the International Journal of Entrepreneurial Venturing (IJEV).

Appendix A: Interview topic guide: Social entrepreneurs (Chapter 2)

I. Organization and mission

- What is the basic need your organization tackles? What is your organization's social value proposition?

- How many people do you directly impact? How do you measure this impact? Has this changed over time?

- What is your longer-term vision for your organization/its solution?

II. Organizational development

- How has your organization grown over time? How would you categorize the development of your organization?

- Do you remember events or outcomes that have seemed particularly relevant at different points in time?

- Which strategic challenges and resource needs have you faced over time, and how have you overcome them/how did you progress?

III. Network development

- When thinking back, which individuals or organizations have been important to your initiative/organization at which point in time?

- How close have you/your organization been to these/how trusted were these? Do you share a common language, culture, or rituals?

- For what type of issue/resource have the different contacts been relevant? Why? Do you recall specific events? (i.e., which respective challenge or need did they contribute to?)

- Do these contacts know each other? If so, how has this changed the collaboration with other contacts?

- How have these network-elements been related to "performance" (as defined by your organization's metrics) at the different points in time?

- At hindsight, who have been the most valuable, which ones the least valuable (or even detrimental) contributors? Why?

- Which role have informal/'non-visible' structures/networks (e.g. local gangs) played?

IV. Challenges, conditions, and mechanisms

- Which broader challenges have you faced over the lifetime of your organization? Do you recall specific events? Which ones did you overcome with the help of networks, which ones not? How did you overcome those at the different points in time that you mentioned earlier?

- What have been the conditions and factors that have facilitated the development of your organization and your networks?

- What have been some key mechanism you would deem important during your organization's development? (routines, capabilities, leadership, knowledge, etc.) Why?

- Besides networks, which other factors have played a major positive or negative role in developing the organization?

V. Context

- Which peculiarities have you found in building your organizations and particularly your networks in the Kenyan low income context? How do you feel this differs from other contexts? (e.g. the Western context, other)

- What would you recommend other organizations that aim to venture into this context?

VI. Conclusion/miscellaneous

- Would you like to add anything?

- Whom would you recommend to talk to?

- Closing and next steps.

Appendix B: Overview of interviews (Chapter 2)

Interviewees	Phase 1: Case selection and identification of core criteria (number of interviews: 6)
Enterprise association Social entrepreneur Social entrepreneur Funder 1 Funder 2 Academic	*Example questions:* "In this industry and context, what makes a venture successful vs not "Can you think of examples for successful and less successful social ventures in context?"
Interviewees *Agri-T1:* Founder 1 Founder 2 Founder 3 CEO Funder *Agri-T2:* Founder CEO Senior strategist Funder *Agri-S1:* Founder/CEO Senior strategist Funder 1 Funder 2 *Agri-S2:* Founder CEO Senior strategist Senior board member Funder *Agri-LS1:* Founder/CEO Funder *Agri-LS2:* Founder 1 Founder 2 Founder 3 Key stakeholder	**Phase 2: Case study interviews (number of interviews: 38 (with 24 individuals))** *Example questions:* "How has your organization grown over time? How would you categorize the development of your organization?" "When thinking back, which individuals or organizations have been important to your initiative/organization at which point in time?"
Interviewees Industry expert 1 Industry Expert 2 Academic 1 Academic 2	**Phase 3. Validation and discussion of findings (number of interviews: 4)** *Example questions:* "Please comment on the findings; how do they relate to your experience?" "Do you see areas that would need improvement?"
Total number of interviewees: 34	**Total number of interviews: 48**

Appendix C: Interview topic guide: Management team (Chapter 3)

I. Introduction of organization

- Which need is your organization tackling? How do you define your 'impact'?

- How does your organization operate/is it set up? How is your offering and related processes structured?

- How did your organization develop? Which events or outcomes have been particularly relevant?

II. Organizational structure and development

- Which aspects of the organization are centralized, which ones decentralized?

- How are the different entities related to the centre, how to each other?

- How is the interaction between the entities structured and practiced? Why so?

- How do you ensure accountability and quality within the organization?

- How do the different entities compare to each other? Which ones would you consider 'successful'/which ones not? Why?

- Which internal/external approaches and conditions supported, which ones hindered organizational growth?

- Which challenges did you face over time, and how did you tackle these? Which ones did you overcome, where did you fail?

III. Networks

- Which role do networks play for your entity?

- Which contacts have been important for your organization, how, and why?

- How did these contacts help you/your partners increase or decrease performance (according to your metrics)?

- Which challenges and/or resource needs could you overcome via these networks, which ones not? Why and under which conditions?

IV. Context

- How do different contexts influence organizational and individual entity performance?
- Which role does technology play in your activities?

V. Conclusion

- Do you have any questions, or anything else to add?

Appendix D: Interview topic guide: Franchisees (Chapter 3)

I. Introduction of organization

- How does your entity operate? Which need is your organization tackling? How do you define your 'impact'?

- How has your entity developed? Which events or outcomes have been particularly relevant?

II. Organization / scaling/ replication

- How does your entity relate to the centre? Which type of support do you (not) receive?

- How do you interact with other entities within the Impact Org umbrella? What are the positive, what the negative elements?

- How do the different entities compare to each other?

- Would you consider your entity "successful"? Why/why not?

- How do you ensure accountability and quality within your entity?

- Which internal/external mechanisms and conditions supported, which ones hindered the growth and impact of your entity?

- Which challenges did you face over time, and how did you tackle these? Which ones did you overcome, where did you not succeed?

III. Networks

- Which role do networks play for your entity?

- Which contacts have been important for your entity? How, when, and why?

- How did these contacts help you to increase or decrease performance (according to your metrics)?

- Which challenges and/or resource needs could you overcome via these networks, which ones not? Why and under which conditions?

IV. Context

- How do contextual factors influence your activities?
- Which role does technology play for your activities?

V. Conclusion

- Do you have any questions, or anything else to add?