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BUILDING LEGITIMACY IN THE FACE OF COMPETING INSTITUTIONAL LOGICS: EVIDENCE FROM SUSTAINABILITY-DRIVEN ENTREPRENEURS

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ABSTRACT

This inductive study explores the strategies deployed to gain venture legitimacy in an environment characterised by competing institutional logics, namely sustainable entrepreneurship. We draw on cases of sustainable entrepreneurs to highlight the variety of legitimization strategies used whilst explaining the decision making processes underpinning the choice of a particular strategy. We note that attempts to gain venture legitimacy may over-ride ambitions to enhance the proto-institutional status of sustainable entrepreneurship. In doing so, we contribute to extant literature on new venture legitimization strategies by highlighting the important role played by institutional context.

INTRODUCTION

New entrants need to persuade others of their legitimacy in line with institutionalised expectations (Aldrich & Fiol, 1994); a task complicated in the face of multiple, potentially contradictory, institutions. Strategies for addressing competing logics have been detailed in the context of established organizations (Greenwood et al, 2010; Pache & Santos, 2010, Reay & Hinings, 2009). In new venture settings, various proactive strategies deployed by individuals to manage the legitimation process have been outlined (Zott & Huy, 2007; Martens et al., 2007). However, entrepreneurship literature has yet to explore the proactive strategies deployed by individual entrepreneurs to manage the legitimation process when facing perceived competing logics.

The context of sustainable entrepreneurship (Hall et al. 2010) has been recognised by Mars & Lounsbury (2009) as one characterised by two potentially competing logics: “free market” and “activism” (i.e. environmentalism). These authors suggest that sustainable entrepreneurs attempt to blend together these two logics. Such blending has been described as a “proto-institution” (Hargrave, 2010), an institution in the making, which is defined as “practices, technologies, and rules that are narrowly diffused and only weakly entrenched, but that have the potential to become widely institutionalized” (Lawrence et al., 2002). However, Mars & Lounsbury (2009) do not discuss the implications of enacting a blended logic. Given the legitimacy pressures facing new ventures (Aldrich & Fiol, 1994; Zimmerman & Zeitz, 2002), we believe it is important to address how individuals’ approaches to gaining legitimacy are affected by perceived competing logics. Taking the proto-institutional setting of sustainable entrepreneurship, we explore the accounts of sustainable entrepreneurs facing audiences who adhere to different institutional logics. Thus the guiding research questions are; (1) which legitimization strategies might sustainable entrepreneurs deploy in order to address perceived competing institutional logics? and (2) what determines the use of particular strategies?
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CONCEPTUAL BACKGROUND

Our inductive analysis led us to relate our findings to two strands of work that provide the theoretical foundations for our work; competing institutional logics and legitimacy in entrepreneurial contexts. We expand below.

Competing Institutional Logics

An institution can be understood as that which enables and constrains action and makes life predictable and meaningful (Scott, 2001). These institutions are transported through “institutional logics” (i.e. master principles) woven into templates to provide guidance for making sense of a field’s common purpose (Thornton, 2004; Reay & Hinings, 2009; Pache & Santos, 2010). In other words, institutional logics are taken-for-granted rules of action, interaction and interpretation that facilitate actors’ understanding of social reality and guide their behaviour (Thornton & Ocasio, 1999: 804). In the context of sustainable entrepreneurship, environmental activism can be viewed as one institution and free market entrepreneurialism as another, with the two frequently viewed as competing with one another (Mars & Lounsbury, 2009).

Research in institutional entrepreneurship (DiMaggio, 1988) and institutional work (Lawrence & Suddaby, 2006) concerns itself with how institutions, and their logics, are changed, superseded or maintained. When facing competing logics, an organization or organizational member is less able to rely on an isomorphic response (i.e. espousing the taken-for-granted value norms) to a dominant logic (Lounsbury, 2007; Greenwood et al., 2010). Rather, in acting to satisfy one logic, another logic may be violated (Pfeffer & Salanick, 1978). To address this, early theorizing focused both on exploring how conflicts are gradually eroded by efforts to deinstitutionalise a prior dominant logic and on detailing how conflicts become redundant as a new dominate logic emerges (Thornton & Ocasio, 1999). However, more recently authors have demonstrated situations where competing logics exist alongside one another, in stable organizational fields and for prolonged periods of time (Lounsbury, 2007; Reay & Hinings, 2005, 2009). How organizations (Greenwood et al., 2010; Pache & Santos; 2010) and actors within them (Reay & Hinings, 2009) cope with co-existing but competing logics has been the focus on recent research. Notwithstanding the usefulness of this work for established organizations, the new venture context brings specific challenges due to the need to establish legitimacy (Aldrich & Fiol, 1994; Zimerman & Zeitz, 2002).

Enduring competing logics may be problematic for gaining legitimacy since activities are deemed legitimate when they are ”desirable, proper or appropriate within some socially constructed system of values, beliefs and definitions” (Suchman, 1995: 574). Therefore, new entrant entrepreneurs facing competing logics (perhaps that are disproportionately legitimate across different audiences), may have to skilfully tailor legitimation strategies according to different values, beliefs and definitions. The relative legitimacy of each logic may play a significant role in the response of institutional actors (i.e. sustainable entrepreneurs). Rather than working to introduce a new dominant logic, Hargrave (2010) suggests the actors find their own way of functioning under the conditions of multiple logics. Importantly, as discussed below, research on entrepreneurial strategies for building legitimacy has largely overlooked issues surrounding competing institutional logics. Whilst social entrepreneurship research acknowledges the presence of competing logics (e.g. Dacin et al., 2010; Battilana & Dorado, Forthcoming), within the broader literature it is frequently assumed that legitimacy is gained largely through adherence to economic logic and wealth creation (e.g. Zott & Huy, 2007 – for a critique see Rindova et al., 2009). The section continues below with a review of existing knowledge on entrepreneurs’ legitimation strategies.
Legitimacy and Entrepreneurial Activity

Zott & Huy poignantly claim that “creative business ideas are valuable but only represent an entry ticket to this game” (2007: 102). Important challenges await the new entrant entrepreneur in the form of institutionalised organizational fields and a potentially hostile reception from incumbents (Aldrich & Fiol, 1994). Furthermore, the combination of limited business partnerships and no significant proven performance record leaves founders of many new ventures struggling to convince others of their standing and capabilities. In a quest to overcome these issues and gain acceptance, founder-entrepreneurs need to be actively involved in shaping others’ perceptions (Aldrich & Fiol, 1994; Lounsbury & Glynn, 2001; Zimmerman & Zeitz, 2002; Maguire et al., 2004; Martens et al., 2007). To further understand this process of gaining acceptance, reference can be made to the concept of “organizational legitimacy” (henceforth legitimacy). When perceived as legitimate, a venture is likely to be viewed as more meaningful, predictable and trustworthy (Suchman, 1995). Thus legitimacy, amongst other things, greatly facilitates resource acquisition (e.g. investment, customers, employees (Zott & Huy, 2007; Zimmerman & Zeitz, 2002)) and consequently increases the likelihood of longer-term success. A full review of organizational legitimacy research is beyond the scope of this paper (see for example, Suchman (1995) or Zimmerman & Zeitz, (2002)).

Extant research on entrepreneurship and legitimacy appears to accept that enabling conditions (e.g. adherence to the standard institutionalised form) alone are insufficient for entrepreneurs to secure legitimacy. Rather than passively conforming to institutional conditions, successful entrepreneurs are active in leveraging aspects of the external context in order to shape others’ perceptions of the venture. They are described as “active shapers” (Zott & Huy, 2007) or “skilled cultural operators” (Lounsbury & Glynn, 2001), drawing on political and story-telling skills as well as ensuring value congruence between the venture and stakeholders (e.g. Creed et al., 2002; Maguire et al., 2004; Martens et al., 2007; Rindova et al., 2009). Elaborating on the kind of activities involved, Zott & Huy (2007) suggest that successful entrepreneurs bolster their venture’s legitimacy by conducting four symbolic actions that convey; personal credibility, professional organizing (e.g. appropriate offices), organizational achievement (e.g. fully functioning products/services), and the quality of stakeholder relations (e.g. prestigious stakeholders). Such activities are said to be reassuring to potential resource holders, and play a significant role in gaining legitimacy. However, we know little about how potentially contradictory logics/messages are addressed by entrepreneurs who engage in these activities.

By reviewing these two interconnected areas of literature, we have indicated that competing logics may be reconciled by individual actors into a blended logic (Mars & Lounbury, 2009) which results in a proto-institution (Lawrence et al., 2002). Hargrave (2010) suggested that in trying to cope with the lack of more broad-based acceptance of a proto-institution, actors will pragmatically negotiate boundaries with incumbents. However, little has been elucidated in terms of either what this pragmatic negotiation comprises more broadly, or how blending logics might aid/hinder entrepreneurs facing a context of competing logics. It is likely that strategies other than “blending” may be used. In presenting our findings below we elaborate a broader set of entrepreneurial actors’ strategic responses to competing logics.

Method and Analysis

Given that legitimacy is socially constructed (Suchman, 1995), understanding the process through which it is gained requires examining accounts from the entrepreneurs and parties whose
approval is sought. Hence, a qualitative approach was deployed in order to remain sufficiently open-ended to allow unforeseen themes to emerge from proximity to the individual entrepreneurs studied. Following scholars of legitimacy in entrepreneurship (e.g. Zott & Huy, 2007) and sustainable entrepreneurship (e.g. Parrish, 2010) we deploy a multiple case studies approach, seeking to build evidence through comparing cases with similar features (Yin, 1994).

Our research participants were identified through internet-based searches in the UK in late 2007 using key words such as “sustainable enterprise” and “ethical entrepreneurship”. This process revealed several networks of UK-based individuals involved in founding sustainable businesses. We recruited 9 case study participants using theoretical sampling (Eisenhardt, 1989) focusing on the characteristics of the individual rather than the industry in which they are located (see Sarasvathy, 2008). Those selected had to be based in the UK, be involved in launching a new venture in the last three years, and self-defined the venture as sustainability-focused.

Over the course of the first round of interviews, certain topics frequently reoccurred (e.g. statements relating to “blending”), achieving a sense of saturation (Eisenhardt, 1989). The cases were developed by a further round of interviews with the founders, interviews with stakeholders (which added a means to verify participants’ accounts and gain alternative views), and through gathering documents (e.g. blogs, media coverage).

Data Analysis

Our data analysis progressed through an iterative “back and forth” process (Miles and Huberman, 1984). Transcripts and other materials were examined and comments were categorised on a case by case basis to begin with, enabling a condensation of meaning whilst remaining close to the participants’ comments (Kvale, 1996). Following Eisenhardt (1989), the next stage was a cross case comparison, which resulted in clusters of first order codes (Pratt, 2009) relating to the participants’ statements for example, “alternative selling-points”. Van Maanen et al. (2007) stress the importance of returning to the literature to gain additional insights for assistance with data analysis. This led to a consolidation of first order codes into second order themes (e.g. blending) that emerged through comparison with extant literature. Three of these themes – blending, supplementing and manoeuvring – represent the approaches to legitimacy uncovered in our competing logic context of sustainable entrepreneurship. In light of the restricted space, our findings section presents evidence using power quotes (Pratt, 2009) that succinctly exemplify the participants’ perspectives.

Findings

The following section highlights the legitimation strategies sustainable entrepreneurs deploy to address the complexities of new entry where competing institutional logics prevail. Our data analysis signals three legitimation strategies namely; “blending”, “supplementing” and “manoeuvring”. Each of these strategies and the implications of their use are outlined below.

Blending

The first strategy witnessed in the accounts of the participant entrepreneurs is labelled “blending”, which, as seen above, has been explained in extant literature as a means for sustainable entrepreneurs to function in a context of competing logics (e.g. Mars & Lounsbury, 2009). Our analysis suggests that the participants sought to deploy “blending” as a strategy to alleviate others’ doubts as to the feasibility of their sustainable venture. It seems that the nature of the doubts may be related to those who oppose
introducing either environmentalism into markets or markets into environmentalism. We focus on the former, largely as the data demonstrates this tension much more clearly.

The analysis indicates that sustainable entrepreneurs champion blending two logics as a contemporary mechanism for concurrent economic development and societal enhancement (Mars & Lounsbury, 2009). Thus, it appears that the sustainable entrepreneurs exercise the blending strategy as part of a concerted effort to dismiss the short-termism inherent in a mainstream business ethos. Embedding other institutional logics into business, such as that of sustainability from the environmental movement, is seen as a better way to achieve longevity than the pursuit of maximizing short-term profits.

We are breaking that old mentality of making money and then doing good... [the older generation] see it as a polarised world, as maximising profit or social good... I don’t think we’ll hear the dichotomy, or see it as an option in the next four, five years time. (Peter, Yew)

Hence, the championing of blend logics might be viewed as a form of institutional work (Lawrence & Suddaby, 2006). Through emphasising the overall appropriateness of blending logics, the entrepreneur is gently attacking the master principle of short-term profit accumulation inherent in traditional free market logic (Lok, 2010). The idea of gently advancing the proto-institution, is also expressed by Sophie:

The more that we stay in business and the more that we make a profit, the more they [other stakeholders] will get it as well. I think that when I first started up, they probably thought “oh she’s a bit nuts”... but we’re proving this works. (Sophie, Poplars)

However, presenting a blended view of sustainable entrepreneurship may only be suitable for legitimacy purposes under specific circumstances. Indeed, when trying to establish new venture legitimacy, blending may not be the most effective strategy as some audiences are likely to continue to subscribe to the idea of a fundamental tension between profit-seeking and addressing societal goals (Margolis & Walsh, 2003).

Actually before I set up the business, when I was trying to raise finance from people, a lot of people were going “well what are you, are you an environmentalist or a businessman?”... The whole point is that being an environmentalist is the way to be a good businessman, it’s the way to get your return. (James, Maple)

James had attempted to persuade others of the blended logic but his comments indicate that mainstream business actors responded by questioning the appropriateness of integrating these two logics – for the investors it is an either/or type of logic. Whilst James himself adheres to the compatibility of environmentalism with business, using blending in certain business contexts is not always going to convince others of the venture’s legitimacy. James reverts to deploying the market logic - “get your return”. We see that stakeholders other than investors are also presented with a blending strategy:

People use us because they know that ethics are central to the business, customers see the steps we take and they know that we are not just another company that is using the trend of green to generate sales... they know from every move we make that it is an integral part of our business (Natasha, Willow).
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In terms of both the overall brand rhetoric and the symbolic actions Natasha undertakes (e.g. sending all orders out in re-used packaging) customers are sent a strong message that environmental ethics are truly embedded in the business. Further, blending is recognised by employees. A new employee at Willow talks about Natasha:

*I think Natasha has the ethics of the business in her head and heart all of the time. It really comes through when she is talking to people (e.g. a customer).* (Employee, Willow).

Natasha’s employee indicates that during routine sales telephone conversations, Natasha engages the customers in discussions about the environmental ethos of Willow. Indeed, our analysis signals that blending is more readily accepted by customers and employees than it is by some other audiences (see “manoeuvring” below for how Natasha seeks legitimacy from investors).

To summarise, it is our interpretation that sustainable entrepreneurs use blending for two interconnected purposes. Firstly, blending appears to be a strategy that is used in the hope that the proto-institution of sustainable entrepreneurship will be advanced as an institution for the future. Secondly, the sustainable entrepreneurs use it as a means to gain legitimacy for their ventures from actors who already understand and support the logic of the proto-institution (e.g. some customers, suppliers but largely not mainstream investors).

When audiences are multiple and have divergent interests (Reay & Hinings, 2005) using blending as a legitimation strategy may be limited. Indeed, actors facing competing logics are likely to engage in different pragmatic negotiation mechanism with these audiences (Hargrave, 2010). An audience which already accepts the sustainable entrepreneurship proto-institution is likely to accept the same blended logic embedded in the venture. This is a relatively small audience, so how else do sustainable entrepreneurs’ seek legitimacy when facing competing logics?

**Supplementing**

Many of the sustainable entrepreneurs explained that since launching their venture, they had developed a repertoire of ways to emphasize the key message of their ventures. The first of two overarching strategies identified is “supplementing”. This strategy refers to the way in which sustainable entrepreneurs concurrently offer a “pick and mix” menu of different messages (e.g. stressing financial, quality or health benefits) to multiple audiences. Supplementing is not about offering competing claims but rather complementary claims. Indeed, such a strategy appears to be undertaken to maintain a broad appeal whilst not demeaning the founder-entrepreneur’s own blended logic. To understand this strategy, we outline the circumstances whereby supplementing is deployed.

Sophie details one of the measures she put into place to ensure a consistent message for the business was delivered by her employees:

*We have an agreed way of describing it to people when they come into the shop... and what we say is they’re welcome to come down with their own containers and if they do, it will save them money as well as being environmentally friendly. If people are environmental then the money thing is a bonus for them. But if they are not very environmental then the money thing means they get it without us sounding like we are preaching.* (Sophie, Poplars)
Keen not to alienate certain customers, Sophie presents the environmental credentials and the money-saving aspects in tandem. Alongside cost-saving aspects, we found evidence of supplementing by using statements of quality. During a second interview, Amy reflects on why the way she gets her message out is changing:

*When talking about our business now, rather than saying “we run an ethical web design business”, I would probably describe more about what we do... I’d say “we run a web-design business to work with other businesses that are doing positive things”... I’d go into more depth and describe why because it [ethical] has become a throwaway term - people don’t know what you mean.* (Amy, Cedar)

Whereas Amy once relied on the blending strategy “we run an ethical web design business” it seems that as a response to the increasingly suspicious external context, Amy reverts to providing a clear message which offers a menu of adjectives. We see this on Cedar’s home page:

*We support businesses to make a positive difference via creative, accessible, green and ethical website design.* (Website, Cedar)

The advantage of supplementing is that for those audiences interested in the ethical, environmental aspects of the business this message is still available. Further to financial and quality supplementary messages, consider this statement from a second interview with Sue at Palm:

*We’ve spent more time researching the clinical and health aspects of asthma and skin problems, so we’re a bit more gemmed up in terms of the health positioning. We start by saying “these products are better for your health, they’re not going to make your skin sore, they’re not going to set your asthma off”. And then because they’re Soil Association approved anyway, we can say “they’re wonderful for the environment and they’re not tested on animals”.* (Sue, Palm)

It is a conscious decision for Palm to bring up the health implications as simply emphasising the environmental message had not seemed to generate enough interest. Our analysis shows a trend that relying on environmental credentials did not provide adequate broad appeal to gain legitimacy. Further, the participants come to realize that the uniqueness of being the first ethical web-design company or the only soil-certified organic household cleaners would be easily eroded as and when others launched. Hence, offering one or more supplementary message becomes just as valuable as demonstrating their green and ethical credentials. But why might this be? We sought to understand more about what triggered the participants’ recognition of a need to build supplementary messages into the entrepreneur’s claims following their venture’s launch. Laura offers a succinct observation:

*The danger you have now is all the talk of green washing. It is a term that people use more and more which shows how quickly things have moved... so I think you have had a wave of praising everything to getting a bit more cynical, people have started to come under attack.* (Laura, Laurel)

Green washing by other companies is seen to contribute to a need for the kind of ambidexterity that supplementing provides in order to gain legitimacy for their businesses. The perceived need to persuade others that environmental aims are only part of the picture appears to be a response to certain institutional factors. In particular, the sustainable entrepreneurs are becoming aware of the way
in which certain audiences criticise the means used by sustainable entrepreneurs. As Mars & Lounsbury (2009) highlight, attempts to converge two different kinds of logic can at once produce desirable outcomes for the majority whilst leading to the alienation of others who, for example, see the process of institutionalizing environmentalism as perverse (e.g. see Rootes, 1999).

There are still plenty of environmentalists out there, particularly the ones who think it’s some kind of thing that they own, being environmental, they’ve been here for 20 years and no-one else is allowed! … it’s like supporting a football club you know, no-one else loves the club as much as you do, right?... You say well “we are as good a taxi company as it is possible to be, plus we have associated benefits of awareness raising and education”. But there are some people still who don’t believe in transport by taxi, so it’s a no win. (James, Maple).

Indeed, such judgemental environmentalists appear to oppose the neoliberal market logic which sustainable entrepreneurs employ as means to achieve environmentalist ends (Mars & Lounsbury, 2009). To summarise, supplementing appears to emerge as a pre-emptive mechanism to try to reduce the chance of audiences’ rejection of the blended logic in sustainable entrepreneurship and/or as a reaction to criticism from those who reject the idea of sustainable entrepreneurship as a proto-institution. Whilst supplementing is a strategy whereby the choice of messages is presented to all audiences, it shows that the entrepreneurs are strategically tackling the tensions and conflicts inherent in a context where competing logics are perceived as problematic by some audiences.

**Manoeuvring**

Manoeuvring is the third legitimation strategy identified. This is the most actively flexible strategy as it encompasses deliberate activity to draw attention to a message considered central to a particular audience. For example,

*I definitely play up and down the money-saving and/or the environmental aspects of it... with the investors I talk up probably the commercial side of it and then with people from NGOs and things, then I’m talking up what’s behind it [the vision]... But I don’t feel that I do that in an untruthful way, they’re all aspects of what we do... they’re all just different audiences. (Sophie, Poplars)*

This quote exemplifies the way in which the participants are cognisant of the need to draw from various different logics in order to gain legitimacy from different audiences. The participants openly admit to selecting an appropriate message according to the audience, thus showing that “meaning management” (De Clercq & Voronov, 2009) plays a much more direct role than it did in supplementing. In other words, the participants attempt to make the novelty of their activity comprehensible by relating it to the taken-for-granted expectations of incumbent groups (see also Hargadon & Douglas, 2001). Insights from the case of Natasha, reveal the need for active meaning management:

**Potential Investor: Is it a crusade?**

**Natasha: I don’t feel it is a crusade. Yes, ethics are important but I see it as a feasible business model.**
Potential Investor: I see it as ridiculous that you come along with what you call a business that you describe as ethical with recycled materials and you produce a box... It’s pathetic it really is so I’m not investing.

When in front of a group of seasoned investors we see that Natasha tempers the extent of a blended logic by emphasizing the feasibility of the business model. Whilst Natasha’s employees, and some customers, are accepting and responsive to her company’s ability to blend environmental ethics with business, such a vision is considerably less successful as a means of persuading investors of the business’ viability. In the face of others’ reluctance to accept the blended logic, Natasha decouples the two logics and plays down the environmentalism:

We started this because we saw a gap in the market. If [our investor] can prove to us that we need to supply something else [e.g. non-recycled products], then that is fine. It is a business not a charity (Natasha, Willow)

Here we begin to see the difference between manoeuvring and supplementing. Instead of offering all audiences the same multiple messages, audiences are presented with different messages. Hence, manoeuvring demonstrates a much more “active shaper” role than supplementing (Zott & Huy, 2007). This method echoes that of the savvy institutional entrepreneur (e.g. Maguire et al., 2004), or the culturally skilled story-teller (Lounsbury & Glynn, 2001). Laura, who besides running her website has forged a role as a freelance writer for magazines, sheds light on the need to cannily adjust one’s message:

I so adjust it [the message] a bit so it fits. For example, if it is for one of the ethical, green magazines you are free to talk about hardcore ethical stuff, you know the real gritty issues that some people might not like to think about, like the impact of diamond mining, you are free to go into depth in some of those issues. Whereas if it is a style piece then you pitch it as you know “green can be pretty too!”... so you have to adapt to different audiences. It’s about how far you go into it there are lots of people who look at it on the surface and then some that go a bit deeper. (Laura, Laurel)

This presents the idea that some audiences are hesitant to fully engage with the “gritty issues” at the heart of the business-society relationship. There remains a core of mainstream audiences who do not like to hear environmental messages. The sustainable entrepreneurs appear to use manoeuvring as a means to move away from any negative associations that environmentalism brings for the mainstream. Furthermore, the sustainable entrepreneurs themselves indicate that they see a key role in undermining the associations people hold between environmentalism and hippies/ poor quality. This is seen as “driving away” some potential customers, supplier etc. An employee at Poplars states:

It is a really civilised form of rebellion because it is smart and quite gentrified so that kind of thing makes it stand out... it is nice to do something civilised because it makes people think it is the sensible thing to do. (Employee, Poplars)

The decision to create a for-profit business places sustainable entrepreneurs in an intermediary role, betwixt and between the powerful, institutionalised discourses of businesses and environmentalists. To manage any potential tensions from these perceived opposing interests, the entrepreneurs express evidence that indicates that the manoeuvring strategy is deployed as a
means to gain legitimacy from different audiences. Overall the “manoeuvring” strategy demonstrates the sustainable entrepreneurs’ willingness to be proactive in disguising the more radical messages (i.e. the less widely accepted blended logic) (Aldrich & Fiol, 1994; De Clercq & Voronov, 2009). As such it shows the sustainable entrepreneurs to be political actors (Fligstein, 2001) who make efforts to conceal the tensions inherent in the context of competing logics (Pache & Santos, 2010). Irrespective of their own subscription to a blended logic, the risk of using the manoeuvring legitimisation strategy may be that others view the sustainable entrepreneurs not as authentic champions of environmentalism but as fully-paid up adherents to the capitalist logic of profit-seeking entrepreneurial actors or vice versa.

**DISCUSSION**

In respect of the first research question, we have presented three legitimisation strategies deployed by sustainable entrepreneurs facing competing institutional logics. In terms of the second research question (what determines the use of these strategies?) the data indicates that the three strategies are not mutually exclusive. Indeed, all three strategies appear to be used by the majority of the participants, sometimes concurrently and sometimes sequentially. This discussion section offers insight into what determines decisions to use each one.

We maintain that the proto-institution context of sustainable entrepreneurship (Lawrence et al., 2002; Mars & Lounsbury, 2009), becomes particularly problematic due to the need to gain legitimacy for one’s venture. Through our analysis, it emerges that a major issue is the lack of wide-spread cognitive legitimacy (Zimmerman & Zeitz, 2002) for this proto-institution. Thus, the blended logic of a proto-institution, which has only weakly embedded and narrowly diffused practices and rules (Lawrence et al., 2002), appears to limit the ability of blending as a consistently appropriate strategy for gaining venture legitimacy. For example, to gain legitimacy for sustainable entrepreneurship from adherents of the market logic, the entrepreneur is tasked with portraying sustainability practices as necessary and demanded by business, and with showing that the sustainable venture acts like a market-led business.

In extant literature it has been documented that in business settings, environmental issues are taken more seriously when they are framed like “any other business issue” (Andersson & Bateman, 2000). We see this above in the way James diverts from his blended logic to suggest environmentalism “is the way to get your return” to an investor. Weber et al. (2008: 562) point out individuals with reform agendas often “eschew tactics designed to catch wide attention and provoke confrontation with the mainstream.” Consistent with this we find that whilst the sustainable entrepreneurs champion a blended logic, in due course they prefer not to challenge the incumbent logic head-on. Hence rather than deploy more confrontation strategies such as “defiance” and “manipulation” as established organizations might (Pache & Santos, 2010), the sustainable entrepreneurs deploy more passivist, yet proactive, strategies such as supplementing and manoeuvring. For some this is clearly a way to avoid the kinds of tensions and challenges said to be inherent in a sustainability-driven business ethos (Egri & Herman, 2000). However, any gradual shift away from vocally championing a blended logic (due to legitimisation needs) may have implications for any “breaking up” potential (Rindova et al., 2009) (i.e. the diffusion of the proto-institution).

Evidence appears to suggest that the strategy used will depend on the entrepreneur’s assessment of the audience. In making this assessment the entrepreneur draws upon their prior experience of using one or more of these strategies with similar audiences. Further, as the external
conditions ebb closer and flow further away from supporting the sustainable entrepreneurship proto-institution, they select between the three strategies.

The ability to respond differently illuminates the entrepreneurs’ ambition to demonstrate the “cultural congruence” aspect of legitimacy, that is the “existence of a credible collective account or rational explaining what the organization is doing and why” (Jepperson, 1991 in Suchman, 1995:575). Indeed, we already know that entrepreneurs may adjust their accounts in line with the audience to make the unfamiliar familiar (Martens et al, 2007), to disguise the radical elements (Aldrich & Fiol, 1994) or to align one’s mission, identity and resources with key constituents (Lounsbury & Glynn, 2001). However, where the participants’ accounts of the venture divert from the blended logic, in order to gain legitimacy they appear to be party to maintaining the distinctive boundaries of each of the separate logics. Whilst blending remains available to be used, it seems that the entrepreneurs develop a reluctance to do so due to the increased likelihood of criticism. In our interpretation of the data, the participants’ view is that it becomes increasingly difficult to consistently offer a credible blended logic account of the proto-institution after launching. It appears that as they seek legitimacy, it becomes more difficult to use a blended logic. Indeed, as the sustainable entrepreneurs have to ensure their sustainable innovations are rendered familiar, they are often squeezed from both sides (e.g. market and environmental logic proponents). This results in a need to be seen to adhere to the taken-for-granted “rules of the game”.

We tentatively propose that blending will be used in the early days of a new venture as a means to make a clear statement of the venture’s aims. Thereafter, it will be used for legitimizing the venture, only where the audience clearly accepts the principles of the blended logic. However, some actors almost immediately reject this strategic legitimation effort (e.g. investors). Where this happens, alternative strategies (supplementing and manoeuvring) are developed to gain legitimacy for the venture, and possibly for the proto-institution. These are not used specifically to gain legitimacy for the proto-institution. Rather they appear to be almost exclusively used as pragmatic negotiations for legitimizing the venture itself.

We summarise the findings into two series of propositions in relation to the second research question; what determines the use of particular strategies?

Proposition 1: The use of a particular legitimation strategy will depend on the entrepreneurs’ perception of the effectiveness of blending.

P1a: Where the entrepreneur deems blending to be ineffective, she/he is more likely to deploy supplementing and/or manoeuvring.

P1b: Supplementing is more likely to be deployed where blending is deemed to have inadequate appeal.

P1c: Manoeuvring is more likely to be deployed where blending is deemed to have alienated certain audiences.

Proposition 2: The use of a particular legitimation strategy will depend on the entrepreneurs’ perceptions of extent to which the audience bestows legitimacy on the proto-institution of sustainable entrepreneurship.
P2a: Where the audience is perceived to bestow legitimacy on the proto-institution, the greater the likelihood that the entrepreneur will deploy the blending strategy.

P2b: Where the audience is perceived to be ambivalent to the proto-institution, the greater the likelihood that the entrepreneur will deploy the supplementing strategy.

P2c: Where the audience is perceived to respond negatively to the proto-institution, the greater the likelihood that the entrepreneur will deploy the manoeuvring strategy.

Rindova et al (2009) argue that rather than play down the way in which one’s venture is different, exposing the differences and contradictions is the best way to disrupt the status quo and drive social change. However, the long-term success of sustainable entrepreneurship’s aims to enhance environmental sustainability may be jeopardised where the protagonists use economic means to legitimize the venture rather than impassioned rhetoric as to the value of their activities. It is worth noting that the data gathered was from sustainability-driven ventures in the early stages. Hence, it would be valuable to assess whether as the venture becomes more established, and if it becomes more broadly accepted as legitimate, there emerges a greater opportunity for the founders to return to a blending strategy. This could be addressed by future research into more established sustainability ventures.

**Conclusion**

In relation to the first question, we observed three interconnected (i.e. not mutually exclusive) legitimation strategies labelled: blending, supplementing and manoeuvring. **Blending** involves efforts to communicate a belief in the compatibility of logics that others perceive to be competing. **Supplementing** refers to efforts to openly introduce a menu of alternative messages to all audiences whilst still ensuring that environmental messages are presented. Finally, **Manoeuvring** involves efforts to play down (or up) the environmentalism logic of the venture by muting aspects which audiences may find contentious.

By elaborating these three strategies, we have detailed that in the absence of institutionalised legitimation scripts for sustainable entrepreneurs to deploy, they proactively negotiate the legitimacy of their activities with different audiences. This is achievable due to their willingness and ability to decouple (Meyer & Rowan, 1977) the elements of their blended logic strategically based on a judgement as to the audiences’ acceptance (or not) of the proto-institution of sustainable entrepreneurship.

Indeed, this judgement of the audiences’ attitude towards the proto-institution is pertinent to addressing what determines the use of particular strategies. Like Mars and Lounsbury (2009) we confirm that sustainable entrepreneurs believe in a blended logic. Our research also shows, however, that blending is deployed as a legitimation strategy and highlights some consequences of this activity. In sum, we found that if blending is used to gain legitimacy for the venture, certain audiences (e.g. investors) will dismiss their activities and the entrepreneurs would likely experience some critical responses. It is the realisation of these consequences which frequently leads to the deployment of alternative legitimation strategies, namely supplementing and manoeuvring.

Overall, this research in the area of sustainable entrepreneurship, as a context facing competing logics, contributes to existing accounts of entrepreneurs as “active shapers” (Zott & Huy, 2007)
or managers of meaning (De Clercq & Voronov, 2009). In particular, we extend our understanding of the process of pragmatic negotiations used by actors to address competing logics (Hargrave, 2010). We do so by demonstrating how the new venture legitimation process intervenes as a more pressing concern for the sustainable entrepreneurs than advancing the proto-institution of sustainable entrepreneurship. In a quest to eschew confrontations (see Weber et al., 2008), the entrepreneurs appear to be complicit in limiting the portrayal of their venture’s social change activities to already-supportive certain audiences. Thus, Rindova et al.”s (2009) view of entrepreneurship as emancipation whereby differences are vocalised using rhetoric to disrupt the status quo and drive social change appears to be restricted, at least in the early stages of a venture.

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