State of the Art

**Alternative organizing with social purpose: revisiting institutional analysis of market-based activity**

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Abstract

Given rampant economic inequality, social exclusion and overconsumption, organizing in markets increasingly focuses on leveraging commercial activity for a social purpose. Alternative forms of organizing have developed to overcome the deficiencies of contemporary capitalism. They have become prevalent in numerous institutional contexts through types of organizations such as social enterprises, cooperatives and platform-based sharing economy organizations. Our objective is to ignite research on alternative organizing. We build on two important institutional perspectives, Neo-institutionalism and Comparative Capitalism, to investigate how these organizations diverge from the archetypal corporation. In addition, we develop a framework to guide institutional analysis of the origins, enabling conditions and consequences of alternative organizing in contemporary markets and society. We conclude by laying out pathways for future research.

Key words: institutions, organizational theory, institutional change, markets, capitalist systems

JEL classification: D02 institutions: design, formation, operations and impact; P1 capitalist systems; O350 social innovation

1. Introduction

Affected by trends such as the financialization of the economy and global outsourcing, organizing processes in markets have changed in important ways in the 21st century (Davis and McAdam, 2000; Carruthers, 2015). These well-documented changes have put in question the principles underpinning market-based activities, and more explicitly how corporations organize to create and capture value (Davis et al., 1994). In parallel, we observe that organizing market-based activity increasingly centers on societal challenges associated with the
pathologies of contemporary capitalism: rampant social inequality, sustained levels of poverty and overconsumption, among others. Alternative forms of market-based activity often take place outside the archetypical corporation. They directly or indirectly address societal challenges, make progress on social problems and create common goods (Stephan et al., 2016).

We may be on the brink of moving beyond what Perrow (1991) has eloquently described as a ‘society of organizations’, in which economic activity coalesces around singular goals and relies on bureaucratic organizing processes. Some believe that as a result, our research focus should shift away from studying organizations (Davis, 2009, 2016). We argue that we need to pay attention to the heterogeneity of organizations that leverage market-based activity for social purposes and more systematically study organizations that diverge from the archetypal corporation. In this article, we refer to alternative organizing as market-based activity with a social purpose carried out by a variety of organizational types.

Our call for a more systematic inquiry is supported by the prevalence of the phenomenon. For example, in the UK, more than 14,000 organizations have become incorporated as Community Interest Companies, which require the reinvestment of profits for the public good (Regulator of Community Interest Companies, 2018). In many European countries, social enterprises use market-based activities to make labor markets more inclusive (Stephan and Huysentruyt, 2017; Mair, 2018). In developing countries, an increasing number of grassroots nongovernmental organizations purposefully change how markets work by altering the institutionalized rules for who can partake and benefit from market activity (Mair and Martí, 2009). Local sharing initiatives promote collaborative consumption using local resources and repair work as a response to overconsumption (Albinsson and Yasanthi Perera, 2012). Organizations aligning themselves with the maker movement use recently available technology such as 3D printing and open source software to engage in locally governed, problem-oriented R&D, production and selling outside of corporate structures and centralized markets (Browder et al., 2019). Enabled by digital technology, new platform-based organizing models have abandoned many bureaucratic processes by drastically minimizing transaction costs between organizations and their stakeholders, also changing the practices of organizing (Puranam et al., 2014). Such platform-based organizations are prevalent in transportation, accommodation and resource-sharing (Schor et al., 2015). They deploy voluntary labor and alternative reward systems to produce goods (Puranam et al., 2014), crowdsource knowledge for innovation (Dahlander and Gann, 2010) or use new employment practices such as task-based short-term employment (Mair and Reischauer, 2017).

Alternative forms of organizing diverge from ‘the corporation’—from what has been considered the organizational archetype in markets for much of the 20th century (Perrow, 1991; Davis, 2013). An organizational archetype refers to a number of structures, processes and values persistently found in market organizations in different institutional contexts (Greenwood and Hinings, 1996). The corporate archetype we refer to in this article embodies the ‘central value’ (Greenwood and Hinings, 1988, p. 300) of maximizing economic profits, hierarchical governance arrangements promoting integration of efforts toward this value and the use of financial criteria to evaluate organizational effectiveness (Streeck, 2011; Battilana, 2016). It has been a powerful template for organizing market-based activity.

Alternative organizing for a social purpose diverges from the corporation in multiple ways. First, it pursues multiple economic and social goals; second, it attends to local needs; third, it marshals underused resources or makes do with limited resources; and fourth, it
experiments with democratic forms of decision-making. These four characteristics provide markers to assess how and to what extent alternative organizing diverges from the corporate archetype. In Table 1, we offer a stylized overview of types of organizations that engage in various forms of alternative organizing. We emphasize those aspects that highlight divergence from the corporate archetype and make explicit diversity within alternative organizing. For example, while cooperatives can be described as primarily emphasizing democratic decision-making, this is not necessarily true for social enterprises, whose goals tend to focus on a particular social problem at hand and how to solve it.

The increasing interest in alternative organizing with social purpose coincides with three important developments that challenge the corporate archetype as the dominant and legitimate form for organizing market-based activity in the 21st century. First, corporations and markets are increasingly seen as producing and perpetuating social and economic inequality and contributing to the overuse of finite resources. Second, there is growing disenchantment with globalized markets that lack participatory structures and are unable to meet local needs. And third, although the rise of technology has enabled transacting and interacting via platforms beyond formal organizational boundaries, it has also disrupted long-established social contracts implicit in employment and work (Puranam et al., 2014; Davis, 2016; Mair and Reischauer, 2017).

It is important to note that the corporate archetype as the legitimate form of organizing has been contested in the past. In fact, cooperative and mutual forms of organizing emerged at various points throughout the 19th century in the USA and Europe in response to perceived limitations of the corporate archetype (Schneiberg, 2011; Greve and Rao, 2012). Nevertheless, every wave of alternative organizing differs from past episodes and needs to be assessed in its own historical and socioeconomic context. The current wave of alternative organizing is clearly shaped by technological advances that radically change the cost of organizing, innovation and manufacturing, and by the dynamics of globalization (Thelen, 2012; Browder et al., 2019). Alternative organizing, however, does not occur in an institutional vacuum but is context-dependent, since the institutional and cultural underpinnings of capitalism and market-based organizing differ from country to country (Sabel and Zeitlin, 1985; Whitley, 1999). Recent research suggests that the ability of social enterprises, cooperatives or the platform-based sharing economy to effectively organize market-based activity with

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social purpose is affected by how social and economic affairs are governed and how these interact in different institutional contexts (Streeck, 2011; Mair et al., 2012b). These differences pertain to, among other things, the regulatory landscape for alternative forms of organizing (e.g. tax incentives, legal forms, etc.; Stephan et al., 2015), cultural norms of civic cooperation or participation in communities (Mair and Marti, 2009; Rao and Greve, 2017) and the cultural acceptance of alternative organizing practices such as platform-based sharing in communities (Mair and Reischauer, 2017).

We argue that variation in the prevalence and form of alternative organizing invites an inquiry of institutional context at multiple levels, hand in hand with the need for a more fine-grained analysis of the relationship between institutional context and organizational forms more generally. More explicitly, we suggest that studying alternative organizing benefits from an analytical focus at both the local (e.g. community) and the domain (e.g. social issue) level. We also argue that explicit attention to the links between societally accepted rules and principles for organizing in markets and other domains is particularly timely to inform institutional theory debates (Schneiberg, 2002; Streeck, 2011). These foci make clear that the analysis of institutional context needs to move beyond a singular focus on and clear separation of organizational, field and societal levels.

Accounting for the nestedness of analytical levels offers opportunities to advance an integrated institutional research agenda about alternative organizing. Recent commentators on the state of the art of the Comparative Capitalism literature, for example, call for making divergence from ideal-type forms of economic governance and local recombination of organizing logics a central concern of institutional scholarship (Deeg and Jackson, 2007; Allen, 2013), particularly in an era of fiscal austerity and changes in occupational patterns and welfare systems of the industrialized countries (Thelen, 2012). Neo-institutionalists studying organizations increasingly recognize that ‘[w]e know relatively little about the influence of institutions such as the family, religion, and, perhaps especially, the state, on contemporary organizations’, and call for research on the interaction between market organizing and other societal domains and at their intersection (Greenwood et al., 2010, p. 1047). As a result, we sense an increasing commitment and momentum for institutional research concerned with change and diversity, rather than stability, in the way markets and market actors constitute themselves.

In this article, we connect two strands of institutional theory—Neo-institutionalism on the one hand, Comparative Capitalism research on the other—to develop an analytical framework that encompasses multiple institutional levels. Our framework integrates institutional perspectives across literatures in organizational theory and comparative political economy to understand the processes of alternative organizing: where alternative practices originate, why they emerge and what their consequences are (Selznick, 1949; Sabel and Zeitlin, 1985; King et al., 2009; Herrigel, 2010; Seibel, 2015). This framework can guide future research on enabling conditions and consequences of alternative organizing. After reviewing the theoretical foundations in institutional theory on organizational forms, we emphasize the need to take dimensions of time and space seriously to locate the origin of alternative organizing and advance institutional analysis. We then introduce and elaborate on three conditions that enable alternative organizing and constitute anchors for institutional analysis: issue salience, institutional failure and incongruence between higher and lower level institutional prescriptions. Next, we elaborate on the desired and undesired consequences of alternative organizing and reflect on implications for organizing. We close with an agenda for future research on alternative organizing and institutions.
2. Organizing in institutional theory

To situate the process of alternative organizing in the literature, we briefly revisit relevant studies in canonical traditions of institutional theory. These studies have focused on explaining conformity to an archetype and why and under which institutional conditions alternative organizing emerges.

2.1 Organizing as conforming to an archetype

Why organizations look and behave in similar ways has been a defining question of institutional theory on organizations (Meyer and Rowan, 1977; DiMaggio and Powell, 1983; Greenwood and Hinings, 1993; Hall and Soskice, 2001b). Many studies have leveraged institutional theory to understand homogeneity among organizations and organizational forms in a given context (Streeck and Thelen, 2005; Whetten, 2009). The archetype of the modern corporation has been an important analytical and theoretical anchor in these efforts. An archetype—whether sustained by sheer prevalence, by regulation or by its association with superior outcomes—enjoys legitimacy in a given issue field (Davis et al., 1994). This view on institutional contexts and organizations suggests that archetypes take on a taken-for-granted quality (DiMaggio and Powell, 1983). Organizations strive to resemble the archetype (Greenwood and Hinings, 1996). For example, organizations that model themselves after the corporate archetype draw on hierarchical decision-making and other governance structures that integrate organizational efforts toward profit generation and output maximization.

How the corporate archetype exactly—or how archetypes for organizing market-based activities in general—become manifest is contingent on the institutional specificities of a market and other societal domains. It will thus differ depending on the industry and country (Whitley, 1999; Hall and Soskice, 2001a). For example, the archetypal market-based activity in liberal market economies will consist of arms-length relationships to generate economic profits and competitive advantage, whereas firms from coordinated market economies use network- and trust-based coordination (Powell, 1987; Hall and Soskice, 2001a). Organizations align various elements of the organization (e.g. goals, decision-making, hiring) with the dominant archetype, for example, by using trust-based mechanisms in corporate governance, finance and skill formation (Höpner, 2005). Divergence from the archetype or misalignment with it, on the other hand, incurs tangible and intangible costs (Zuckerman, 1999; Witt and Lewin, 2007). As a result, organizations will at times adopt surface-level policies to signal adherence to the archetype (Meyer and Rowan, 1977; Tolbert and Zucker, 1983; Westphal and Zajac, 1994, 2001).

2.2 Alternative organizing as diverging from an archetype

Besides the continuing interest in why and how organizations conform to a specific archetype, institutional theory scholars have been persistently interested in understanding why and how organizations diverge or deviate from a specific archetype. Selznick’s study on the Tennessee Valley Authority is an early example (Selznick, 1949). Building on this seminal study, a number of subsequent works have shown that the corporate archetype itself underwent significant change over time, exposing the modern corporation as an ideal rather than a real type (Herrigel, 2010; Ocasio et al., 2016). Studies on the emergence of corporate social responsibility in mid-20th century America (Kaplan, 2015), changes in industrial organization (Sabel and Zeitlin, 1985; Fligstein, 2000) and corporate engagement in previously
stigmatized social issues such as same-sex partner health benefits (Chuang et al., 2011) locate and discuss divergence in a specific historical and institutional context. Other studies focused on organizations that face conflicting institutional demands from different domains (D’Aunno et al., 1991) or external shocks (Davis et al., 1994) to understand divergence from the corporate archetype. These examples suggest that the elements constituting archetypes and the values underpinning them are ‘pliable’ (Greenwood and Hinings, 1993; Meyer et al., 1993, p. 1178).

These and other studies exemplify renewed interest in institutional change in advanced economies, the considerable within-country heterogeneity and the negotiations and political interests underlying economic organizing (Deeg and Jackson, 2007; Hall and Thelen, 2009; Martin and Swank, 2012; Amable, 2016). Recent studies make explicit the contingent nature of institutional arrangements sustaining particular economies and ways to coordinate economic production, including, for instance, how occupational changes introduce new organizing processes in industrial sectors (Thelen, 2012; Amable, 2016). Arguably, organizational diversity and institutional change have matured into a central theme in institutional theory (Deeg and Jackson, 2007; Hall and Thelen, 2009; Lane and Wood, 2009; Greenwood et al., 2011).

Studies in this research stream emphasize that multiple forms of organizing can co-exist within institutional contexts. Centering on fields as institutional contexts, they have elaborated on a number of contingencies that lead organizations to abandon or deviate from dominant archetypes (Greenwood and Hinings, 1988; Mair and Hehenberger, 2014). Fields such as healthcare and higher education may persistently exhibit competing worldviews about how to organize (Block and Kraatz, 2008; Kellogg, 2009; Chuang et al., 2011; Dunn and Jones, 2010). As such, fields can sustain alternative ideas about organizing in the face of dominant archetypes; examples include investment funds in French film-making (Durand and Jourdan, 2012), cooperatives in the American utilities market (Schneiberg, 2007) and for-profit providers in Swedish healthcare (Svallfors and Tyllström, 2018).

Scholars also point to a mismatch between institutionally espoused archetypes for organizing and organizational realities and local needs (Hirsch, 1997; Aguilera and Jackson, 2003; Crouch, 2005). These studies focus on ‘intermediate’ institutional contexts such as industrial sectors, local communities or informal markets as sources for organizing (Deeg and Jackson, 2007). For example, Casper (2000) documents that the German biotechnology sector used new recruitment strategies and ways of financing that contradicted national institutional frameworks (similarly Powell and Sandholtz (2012) for the case of US biotechnology). D’Aunno et al. (2000) describe local needs of rural hospitals that led to new forms of organizing. Informal economies and their rules may be accepted as entirely legitimate by large parts of a population, yet conflict with formal institutions’ understanding of legality (Webb et al., 2009; Mair et al., 2012b). Local institutional contexts enable alternative organizing that diverges from archetypes, as these prove insufficient or inappropriate to accommodate the needs of organizations or their stakeholders.

3. Origins of alternative organizing

Alternative organizing can originate in a given institutional context and build on historical legacies. But alternative organizing can also originate in distant contexts and be imported
and transposed to a local and proximate context. Paying attention to dimensions of time and space when assessing the origins of alternative organizing is also consistent with the notion that novelty in organizing results from the recombination of existing building blocks (Padgett and Powell, 2012).

3.1 Historical legacies
To devise and enact alternative forms of organizing market-based activity, actors often draw on remnants of past forms of organizing. Even though these elements may be invisible or exist only at the periphery, they can act as blueprints for contemporary forms of alternative organizing, especially when the ideational legacies are conserved in text or in other ways (Whitley, 1999; Lounsbury, 2007; Greve and Rao, 2014; Ocasio et al., 2016). Studies of mutuals and cooperatives suggest that some contexts are more conducive than others to alternative organizing. Actors that experimented with similar or the same forms in the past may have developed ‘cognitive accounts and normative rationales’ for alternatives (Schneiberg et al., 2008; Greve and Rao, 2012, p. 637). Schneiberg (2002, 2007) showed that conditions created by corporate consolidation in rural and sparsely populated regions of the USA gave rise to mutuals and cooperatives in the early 20th century (see also Boone and Özcan (2014) for similar evidence). Ingram and Rao (2004) discuss the resistance to chain stores in the context of the passage of anti-chain store legislation in different US states in the 1920s as informing the development of other types of organizations. Similarly, longer historical episodes, such as communism in Central and Eastern Europe or the Allied Occupation of Germany, provided ideational elements for how markets ought to function; for example, related to the role of employees (Oertel et al., 2016) or competition (Djelic and Quack, 2007). These studies suggest that historical legacies can inform contemporary processes of alternative organizing.

3.2 Borrowing from distant contexts
In contrast to borrowing elements and forms of organizing from the past, alternative organizing may also be based on the import or transposition of elements from more distant contexts. These elements are distinguishable from those obtained locally by ‘the distance that the ideas and practices travel’ (Powell and Sandholtz, 2012, p. 96). They may originate in foreign countries or in societal domains other than markets, such as religion or civil society, from where they are transposed or repurposed for market-based organizing. Powell and Sandholtz (2012), for example, document the use of distant ideas in a study of the emergence of biotechnology firms in 1970s California. They show that university researchers used organizing elements of research laboratories to found commercial biotechnology firms. Other examples of cross-country transpositions include the introduction of US management practices and values such as diversity management (Boxenbaum and Battilana, 2005) or shareholder value (Fiss and Zajac, 2004) in European corporations. A number of conditions are associated with the transposition of distant organizing elements. For example, distant elements are more likely to surface in spaces that allow for repeated interactions between actors from disparate social worlds, such as conventions or social clubs (Furnari, 2014; Mair and Hehenberger, 2014). Additionally, the presence of individuals within organizations from diverse backgrounds may be conducive to experimentation with different ideas and practices (Miller and Triana, 2009).
4. Enabling conditions for alternative organizing

In the previous section, we showed that organizing elements from the past and from distant contexts are important sources for alternative organizing. Next, we introduce and elaborate on three distinct conditions that characterize institutional contexts to understand when, why and how alternative organizing is likely to occur. We consider issue salience, institutional failure and institutional incongruence as important but largely underappreciated conditions in the current literature. Our perspective is concerned not only with what institutions prescribe, but also with what institutional arrangements fail to provide. These conditions are neither all-encompassing nor mutually exclusive. Instead, they often overlap.

4.1 Issue salience

The salience of a specific social issue (perceived as a problem or societal challenge) is a relevant institutional condition for understanding the emergence, diffusion and form of alternative organizing. Issue salience can be traced to heightened attention devoted to an issue by stakeholders, the mass media or political decision-makers (Hilgartner and Bosk, 1988). It is often brought about by exogenous events and can expose a crisis of existing governance arrangements (Hoffman and Ocasio, 2001). Historical examples of heightened issue salience and episodes of alternative organizing include the founding of cooperatives in early 20th century Norway as a way to increase community trust and cohesion in response to outbreaks of the Spanish Flu and to loss of harvests (Rao and Greve, 2017). Issue salience is relevant for understanding alternative organizing because it raises questions about the appropriate level of action for a given social problem (e.g. on a centralized or decentralized level, by means of markets, etc.) and generates urgency for alternative approaches among stakeholder groups and the public.

Such dynamics are evident in a number of contemporary markets and issue fields, for example, in the domain of energy production. In this case, the Fukushima disaster triggered a significant rise in the salience of nuclear power in numerous countries, leading to debates over the need for alternative energy sources and to skepticism about the wisdom of leaving a centralized energy supply in the hands of large energy companies (Yildiz et al., 2015; Aldrich et al., 2018). Consequently, different forms of organizing have emerged to find alternative ways to produce and distribute energy, prominently among them renewable energy cooperatives (Balch, 2015). Energy cooperatives represent locally owned and democratically governed organizing models of energy production, distribution and consumption (Yildiz et al., 2015). Some of these cooperatives produce energy by making use of available small-scale technology such as solar panels. Others obtain energy from locally available resources such as biofuels. By involving consumers as owners and producers, they have the incidental effect of creating awareness of energy consumption and acceptance of alternative organizing models. Hence, next to their economic purpose, energy cooperatives use alternative practices such as community-based decision-making to build community cohesion. At the same time, the issue shows how issue salience varies across countries. In Germany, identifying alternative energy sources and organizing around them became a highly salient social issue after Fukushima, coinciding with anti-nuclear protests and a nuclear power phase-out by the German government. In the UK, salience and government support for energy cooperatives appeared to be considerably lower (McGrath, 2011; Balch, 2015).
4.2 Institutional failure

Issue salience is not the only condition that enables alternative organizing. In fact, we suggest that many instances of alternative organizing are associated with problems that elude public attention or a recognized need for action by policy makers. In such cases, institutions sustain deficiencies of dominant forms of organizing market-based activity that disadvantage or exclude societal groups. One such issue is social and economic inequality, which is often exacerbated by markets and corporate organizing (Amis et al., 2017). For example, corporations may fail to serve poor people (Seelos and Mair, 2007), or they may increase inequality through hiring, pay or job segregation practices (Huber et al., 2017; Ferguson and Koning, 2018). These institutional failures tend to persist precisely because they affect marginal or disenfranchised groups. Similarly, studies document historical incidences in which alternative forms of organizing, for example, insurance mutuals and dairy cooperatives in the 19th century Northeast and Midwest USA, emerged because access to institutions that favored and sustained corporate forms of organizing remained blocked (Schneiberg et al., 2008).

The emergence of social enterprises represents an example of alternative forms of organizing and a ‘refusal to enact limitations’ (Di Domenico et al., 2010, p. 692) associated with the corporate archetype that perpetuates institutional failure. Alternative organizing by social enterprises can entail different paths to greater equality, including enabling resource acquisition as well as social inclusion (Sutter et al., 2019). For example, in some European countries, social enterprises seek to integrate people into the labor market who, despite receiving employment training, are prone to experience successive unemployment (Spear and Bidet, 2005). These social enterprises train long-term unemployed people to produce goods and services that sustain the organization financially; they also offer support services such as information provision and social capital to break the unemployment spiral (Battilana et al., 2015).

To overcome institutional failures that perpetuate inequality, social enterprises often go beyond identifying underserved constituencies. In some instances, the social purpose of organizing changes underlying but often unrecognized or tacit institutionalized patterns of behavior, for example, in societies that prevent market participation by denying autonomy or property rights to women or the poor (Mair et al., 2012b; McKague et al., 2015). In these cases, organizing to increase market participation may include improving sanitation to improve the health and social standing of social groups in rural India (Mair et al., 2016) or devising entrepreneurial activities that women can carry out at home so as to comply with religious norms in Bangladesh (Mair and Martí, 2009). Generally speaking, these instances of social enterprise activity highlight the distinct forms of capital (human, social, political, economic) required to understand the architecture underlying institutional failures, a central differentiation from the corporate archetype (Mair et al., 2012a; Mair and Rathert, in press).

4.3 Institutional incongruence

Incongruence between institutional prescriptions is an additional, distinct condition associated with alternative organizing. We understand incongruence as a mismatch between prescriptions originating, for example, in formal and informal or local and national institutions (Webb et al., 2009; Uzo and Mair, 2014). This condition is closely related to what we describe as institutional failure and may co-occur with it, but it emphasizes the nestedness of institutions. We suggest that institutional incongruence can develop in at least two different forms. In one, higher level prescriptions such as federal regulation may formally exist, but they remain unenforced or otherwise ineffective. In such cases, alternative organizing is a
response to the incongruence between higher level prescriptions and a lack of enforcement on a lower level, such as communities (Mair et al., 2012b). In another case of incongruence, alternative forms of organizing deliberately reject centralized, impersonal economic organizing and champion goals such as autonomy, local use of resources and democratic governance (Marquis and Lounsbury, 2007).

Both instances of incongruence—a lack of systematic enforcement (Börzel and Risse, 2010) or a clash between institutional prescriptions (Webb et al., 2009)—occur in both the developed and developing world. As we argue elsewhere in the article, episodes of cooperative organizing have repeatedly been associated with an incongruence between centralized political preferences for corporate organizing and local preferences for other forms, goals and ideas, both in Europe and the USA (Whyte and Whyte, 1991; Ingram and Rao, 2004; Schneiberg et al., 2008). Likewise, a failure to enact and enforce prescriptions that are often enshrined in federal regulation, such as market access for rural or marginalized populations, has been observed in both developed and developing countries. For example, a social group may be effectively barred from participating in markets for cultural and religious reasons or a lack of political power (Mair et al., 2012b). In these contexts, alternative forms of organizing that include these groups have emerged (Seelos and Mair, 2007; Webb et al., 2009).

An illustrative current domain where alternative organizing has arisen in opposition to centralized and impersonal markets is local food sharing and collaborative consumption. Food markets for mass consumption are predicated on the inherent value of consumption and the convenient availability of products, which translates into economic growth (Albinsson et al., 2010). Estimates put the amount of discarded food in the USA at 35 million tons per year (Ferdman, 2014). Food-sharing organizations reject the values associated with large-scale markets, instead embodying anti-centralization sentiments and a search for local solutions (Carroll and Swaminathan, 2000). They pursue goals such as frugality and re-use through sharing and the public distribution of unused food (Albinsson and Yasanthi Perera, 2012), drawing on collaborations (e.g. with local supermarkets) and nonmonetary, ideational rewards (e.g. working for a sustainable future) to obtain material and human resources. Furthermore, these organizations make use of recently available platform technologies to facilitate food exchanges between users, both for-profit and non-profit, highlighting the ‘prioritization of access to resources over the production of new ones’ (Mair and Reischauer, 2017, p. 13).

5. Assessing the consequences of alternative organizing

In the previous sections, we discussed the association between the emergence of alternative forms of organizing and issue salience, institutional voids and incongruences between local conditions and higher level institutional prescriptions. These conditions also likely shape a number of organizational outcomes, including the effectiveness of alternative types of organizations in relation to a social problem. In this section, we review selected evidence on outcomes of organizing market-based activity with social purpose and distill from our framework a number of implications for why such organizations may thrive or fail.

5.1 Outcomes of alternative organizing

In this article, we defined alternative organizing as organizing market-based activity for social purposes. To assess the effectiveness of alternative organizing, we have to look at
consequences. Consequences can be positive outcomes that are desired, such as making progress on social problems. Consequences can also be undesired, negative outcomes. Recent studies point to the positive outcomes of alternative organizing across a number of contexts and issue fields. Work integration social enterprises have been able to integrate people with disabilities, the long-term unemployed or rural populations into labor markets on a larger scale in France, Spain and Italy (Spear and Bidet, 2005; Battilana et al., 2015). These and other social enterprises often focus on using existing skills of marginalized groups, for example, street vendors or people with autism, to create a financially sustainable way to achieve empowerment (Mair, 2018). Microfinance organizations have provided loans to close to 100 million people living in poverty (Santos et al., 2015), and sharing economy organizations have been able to scale their operations to reach considerable numbers of consumers in transportation and accommodation (Martin, 2016).

At the same time, uncertainties associated with recombining ideas, practices and values from differing domains across space and time, often underpinned by technological advances developed in very different settings and jurisdictions (Hinings et al., 2018), can give rise to negative outcomes and undesired consequences. For example, Zhao and Wry (2016) show that microfinance organizations—social enterprises engaged in lending money to the poor—are hindered in their ability to provide such loans in countries with high degrees of patriarchy in religion and professional spheres, because patriarchy is diametrically opposed to financial equality. Similarly, Mair and Martí (2009) and Mair et al. (2012b, 2016) document that social enterprise strategies clash with a number of pervasive social norms, particularly relating to issues such as female participation in social and economic activities. Even well-intentioned regulatory authorities are often unable to categorize newly emerging organizational forms and create hurdles for alternative organizing. Food sharing organizations, for example, are now facing efforts by public administrators to classify them as food businesses, including legal requirements to document sharing and follow health and safety guidelines, clashing with their grassroots approach to organizing (Osborne, 2016).

Emerging evidence on undesired consequences has fueled skepticism about whether current forms of alternative organizing actually reinforce contemporary capitalism rather than healing some of the social ‘pathologies’ associated with it. Social enterprises are sometimes seen as a triumph of neoliberal thought, idealizing business principles and market solutions in the face of public problems and threatening democratic principles (Dey and Steyaert, 2010; Ganz et al., 2018). Alternative organizing may reinforce existing problems of capitalism when it undermines the compromises underlying institutional arrangements (Crouch, 2005; Amable, 2016). Work practices and employment relationships enabled by platform organizing may create social conflict and raise new questions about the nature of employment relationships in the sharing economy when they chip away at institutions associated with employment, such as insurance or the idea of employment status itself (Foroohar, 2018; Sundararajan, 2018). They may in fact reinforce trends toward dualization in labor markets, given the informality of many organizing practices in the sharing economy (Martin, 2016).

5.2 Implications for alternative organizing
Our framework offers some insights for thinking about when and why forms of alternative organizing may become effective or fail. A prominent implication of the framework is that making progress on a social problem hinges on the ability of organizations to navigate
between institutional levels (e.g. local and national) and domains (e.g. markets and social services). Responsibility for addressing social problems was traditionally confined to a particular institutional domain such as the marketplace, the family or the state (Seibel, 2015). Now multiple organizational goals (e.g. facilitating a social service through the sale of products), which are emblematic of many of the organizations we have discussed here, require overcoming or circumventing these societal divisions of labor. In many ways, technology has fueled the pace of this sectoral upheaval (Hinings et al., 2018). Beyond the use of technology, however, alternative organizing reveals the difficulties that accompany diverging from institutionalized forms of organizing.

As one example, poverty and exclusion manifest locally through specific dependencies and norms. Grassroots organizations seeking to change these norms through commercial activity are more successful when they incorporate some of these local norms in a seemingly counterproductive manner (Mair et al., 2016). Even as organizations may count on regulatory support at federal levels, such as policies opposing local exclusion based on gender or race, local realities in contexts such as Bangladesh challenge the effectiveness of commercial activity in solving social problems (Mair et al., 2012b). As a further example, in the industrialized democracies, public sector austerity in Western Europe has led to less generous social programs in the wake of the 2008 financial crisis (Kersbergen et al., 2014). Next to a retracting welfare state, many European countries have also seen an increasingly exclusionary housing market, leading to spatial segregation of inequality and resulting in regions and communities where large proportions of the population are marginally employed or unemployed. As these issues have become highly salient topics of contention, tax policies and material support through funding for alternative organizing have diffused widely (Defourny and Nyssens, 2010; Stephan et al., 2015). Yet, social enterprises entering healthcare domains, for instance in Germany, face considerable difficulties in breaking the institutionalized ties between local governments and welfare providers that de facto regulate access (Grohs et al., 2017).

In sum, we argue that success or failure of alternative organizing with social purpose is associated with the ability of organizations to incorporate and act upon local manifestations of social problems. Our institutional analysis suggests that organizations can do so by making use of potential complementarities with other domains (e.g. federal governments acting on an emerging salient issue) and by navigating emerging tensions (e.g. dealing with perceived competition from incumbent organizations that share few if any characteristics with the focal organization). These abilities also affect whether organizations can scale their efforts (Mair, 2018). In the final section, we now turn to a number of analytical implications and future research avenues emerging from our framework.

6. Outlook

To overcome various institutionalized failures and deficiencies associated with capitalist markets, we observe alternative organizing in a range of institutional contexts. As forms of alternative organizing become a reality not just in markets but in many societal domains (e.g. ‘mixed service delivery’ in welfare provision; Bel et al., 2014; Seibel, 2015), this framework allows us to speak to a popular and productive stream of contemporary social science...
and develop insights that are portable to other foci of alternative organizing. Our framework prompts a number of untested ideas for future research.

First, the study of alternative organizing directs us to the need for a deeper understanding of the social issues underlying these organizing efforts. We see a potential for institutional scholars studying changes in the organizing processes underpinning markets to engage with adjacent fields, such as public administration, to understand the embeddedness of social problems in a culture of regulatory responses (Parrado, 2018), as well as the ‘ownership’ (Gusfield, 1989) of problems claimed by various actor types (public authorities, private sector organizations, etc.). Issue salience, institutional failure and institutional incongruences all imply that social issues will become salient at certain times in differing contexts (Hilgartner and Bosk, 1988). Yet, we know little about when, why and how issues gain salience and enable alternative organizing. We need deeper and comparative engagement with the institutional—social, political, economic—fabric that underpins social problems. As Furnari convincingly argues, ‘for every issue that succeeds in triggering substantial change in a field, there are many other issues that remain largely inconsequential or even fail to attract enough attention’ (Furnari, 2018, p. 322). His point was recognized earlier by sociologists studying the nature of social problems (Blumer, 1971; Hilgartner and Bosk, 1988; Gusfield, 1989).

In other words, what are the scope conditions associated with particular instances of alternative organizing? When, in the sectoral or economic development of a context, should we expect to observe particular instances of alternative forms of organizing? Even as movements championing particular approaches diffuse globally, for example in social entrepreneurship, local adaptation is evident as organizations latch onto earlier traditions of market-based organizing for social purposes (Defourny, 2001). Furthermore, future research should tease apart how these three institutional conditions may be individually sufficient or may jointly bring about particular manifestations of alternative organizing. Our illustrative examples suggest that these influences, for example failure and incongruence, often appear together, but we argue that they are analytically distinguishable.

Given the central role of emerging technologies, we also need to understand how they affect institutions and ways of organizing. Technology has enabled market-based organizing in areas traditionally dominated by a non-profit or community ethos, such as resource sharing in accommodation, transport or food, often at a considerable scale (Martin, 2016). Technology and the use of digital infrastructures such as platforms often allow alternative forms of organizing to spread widely before they are legitimated or challenged by regulators or other stakeholders (Hinings et al., 2018). What is less clear is how legislation that catches up with technological advances affects and retroactively can undo or enforce changes in alternative organizing. In this sense, technology raises questions about the stages and nature of the legitimation of practices. The dynamics we observe underline the often unpredictable nature of technology-enabled alternative organizing.

Finally, we propose to focus on issue salience, institutional failure and incongruence as we think about what institutional arrangements fail to provide. By incorporating the study of social problems—how issues are addressed and contained by different societal domains, under which conditions they become salient and trigger societal outrage (Alexander, 2018)—our framework contributes to a problem-solving perspective in institutional theory. In Table 2, we summarize the central insights of this framework.
When used in this way, institutional theory and the study of alternative organizing approaches to social issues can inform policy-makers who are interested in curing deficiencies of markets or other institutional arrangements.

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