

# Studying Nonprofit Entrepreneurship from a Behavioral Perspective

by Fredrik Andersson

It has been said that the worth of a book is to be measured by what you can carry away from it, and in the case of *If Not for Profit, for What?*, I particularly want to emphasize takeaways for scholars of nonprofit and social entrepreneurship. Dennis Young's book not only offers a deeper and better understanding of the entrepreneurship phenomenon in a nonprofit context but also illuminates why this is a significant area needing to be researched. To date, *If Not for Profit, for What?* remains one of the most insightful and significant frames for comprehending entrepreneurship and enterprising in the nonprofit sector. Yet before highlighting any scholarly implications I would like to present a personal note on how I first came in contact with Professor Young's book.

In 2006 I was accepted into a program sponsored by the Ewing Marion Kauffman Foundation in Kansas City called the Kauffman Entrepreneurship Internship Program (KEIP) that combined entrepreneurship theory with practice in the form of seminars and a paid internship with a start-up firm or entrepreneurial venture. I decided to apply for the KEIP program after stumbling upon Gregory Dees's white paper on social entrepreneurship which he had developed during his time with the Kauffman Foundation. I had no idea what social entrepreneurship was but some of the things in this brief two-page white paper resonated with my interests in international aid and development work and experiences working for nonprofits in both my native Sweden and in southern Africa. The KEIP program turned out to be the perfect laboratory to explore the intersection between entrepreneurship and the nonprofit sector, and I ended up conducting my internship with a Kansas City nonprofit organization. Our entrepreneurship seminars were animated, stimulating and (for a Swede) often confrontational. A frequent debate was whether any other entity than business enterprises could in fact be entrepreneurial. Perhaps due to the fact that the vast majority of the members in the class were business school students the idea of entrepreneurship manifesting itself in a charity or membership association was very suspect. Someone even stated that nonprofit entrepreneurship was an oxymoron. Others proposed that the only way for a nonprofit to ever be entrepreneurial was to mimic what businesses were doing because without generating commercial revenue entrepreneurship was simply not possible.

An additional issue was to find good and rigorous literature on entrepreneurship focusing on the nonprofit sector. While I very much appreciated reading some of the classic books in business entrepreneurship including Kirzner's *Competition and Entrepreneurship* and Casson's *The Entrepreneur: An Economic Theory*, there was

a dearth of in-depth and comprehensive (especially economic) scholarship focusing on entrepreneurship in a nonprofit organizational setting. I was given a few handbooks on social entrepreneurship to read but they struck me as overly descriptive, normative and often atheoretical. My KEIP instructor therefore advised me to contact Professor Bob Herman at the University of Missouri-Kansas City. Herman had helped build the nonprofit management program at UMKC, one of his academic specialties was organizational behavior, and he was situated in the Bloch School of Business and Public Administration that emphasized entrepreneurship as one of its key academic pillars. So if anyone could guide my search for literature it would be Bob Herman.

When we met a few days later he handed me only one, albeit well-thumbed, book by his friend and colleague Dennis Young and said that if I wanted to understand entrepreneurship and enterprising in a nonprofit context this was the place to start. This was my first encounter with *If Not for Profit, for What?* and it became my trusted liaison for the rest of my KEIP experience. Not only did Young acknowledge that entrepreneurship is a universal process that pervades all sectors and industries of the economy but that entrepreneurship in the nonprofit sector, as elsewhere, is the frontier of a sector's activity, and, as such, studying nonprofit entrepreneurship holds the key to revealing and comprehending the driving forces and underlying character of nonprofit organizations. This was an epiphany - you can actually *study* this amorphous thing. A year later I entered the interdisciplinary Ph.D. program in the Bloch School with an emphasis in nonprofit organizational studies and business entrepreneurship and the rest is, as they say, history.

Much has happened since the original publication of *If Not for Profit, for What?* three decades ago. Today it seems widely accepted that nonprofits and public organizations can be entrepreneurial. In fact, we often hear and read that nonprofits ought to become more entrepreneurial as a means to deal with an increasingly turbulent and competitive environment, and as a way to generate greater mission impact and social transformational change. At the same time, there is also considerable ambiguity in current nonprofit and social entrepreneurship scholarship including how to define this important phenomenon and how to empirically measure the short- and long-term effects of socially entrepreneurial activity. This is precisely why *If Not for Profit, for What?* remains equally relevant today. The book's innovative quest for gaining new knowledge of nonprofit entrepreneurship as well as its questioning of how to research entrepreneurship in the nonprofit sector have always been, and still are, distinguishing marks of this text.

Two things in particular strike me as highly relevant for current nonprofit and social entrepreneurship scholarship. First, this book is rare in its pursuit to derive and understand entrepreneurship in the nonprofit sector by paying considerable attention to the classical (predominantly economics-based) entrepreneurship literature. By doing so it, in my opinion, offers a very stable foundation for nonprofit entrepreneurship scholars. After all, for nonprofit and social entrepreneurship to have usefulness it must

be able to provide a framework, and explain sets of empirical phenomena that are not explained by frameworks already in existence in other fields. I worry that the current trouble many researchers have in identifying the distinctive contribution of the field to the broader domain of nonprofit studies will sooner or later undermine its legitimacy. While I believe there is still much work to do to identify the distinctive domain of nonprofit and social entrepreneurship research, I would invite all those working in the area to consider *If Not for Profit, for What?* a highly relevant contribution to that discussion.

Second, Young stresses the importance of studying and understanding nonprofit entrepreneurship from a behavioral rather than an outcome-based approach. The problem defining any type of entrepreneurship by a specific outcome e.g. generating earned income or transformational change is that we lose the ability to study nonprofit and social entrepreneurship as it happens, before the outcome is known. If transformational change is a necessary outcome criterion we cannot know it until afterwards, when such change is realized, whether we were studying nonprofit entrepreneurship or not. By pursuing the behavioral approach suggested in *If Not for Profit, for What?* students of nonprofit and social entrepreneurship are offered the opportunity to open up that black box in-between initiation and outcomes of new innovative ideas. It also makes it possible for researchers to more fully embrace the immanent diversity and multiplicity of nonprofit and social entrepreneurship. Thus, by concentrating on behaviors and the function nonprofit entrepreneurship/entrepreneurs have with regard to nonprofit organizations and the sector at large we end up with a more focused scholarly domain that involves the study of nonprofit entrepreneurial processes and behaviors as well as their antecedents and effects.

In closing, Bob Herman requested his copy of *If Not for Profit, for What?* to be returned after I finished the KEIP program and despite searches in numerous bookstores I have never been able to obtain a copy of my own. It is therefore exceptionally delightful that the decision has been made to reissue the book so that I, my research colleagues and my students will have the opportunity to be inspired by it as the field of nonprofit and social entrepreneurship progresses.

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## References

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