

If Not for Profit, for What?

Reflecting Back and Looking Forward

by Helen Haugh

Reflecting back on the first edition of *If not for profit, for what?*

I came late to *If not for profit, for what?* when, in 1993, I began a research project that explored the emergence of community organizations in peripheral and rural communities. The behavioural theory of the non-profit sector, in which Dennis explicitly linked entrepreneurial modes of behaviour with organizational characteristics, resonated strongly with the data I was gathering from community entrepreneurs. Although socially entrepreneurial behaviour has a long history, commencing with the cooperative movement in the UK, interest in social entrepreneurs, social entrepreneurship and social enterprise is relatively recent and the re-issue of the book is timely.

Although *If not for profit, for what?* presents a novel theory of entrepreneurial modes of behaviour in the non-profit sector the range of contributions of the book is much wider. Two important contributions have already been noted: first, the explicit recognition of a three sector economy in which the non-profit sector is an essential, productive and increasingly important economic sector active in driving forward institutional change; and second, the universal presence of entrepreneurship in this new conception of a three sector economy “Entrepreneurship is a universal process, pervading all sectors and industries in the economy” (p.43).

Returning to and re-reading the book Dennis’s prescient skills as a researcher are evident in three further contributions. By commenting on the institutional context of entrepreneurial behaviour in which the entrepreneur is both influenced by and influences their environment, *If not for profit, for what?* joins the early debates in institutional theory concerning agency and anticipates the emergence of institutional entrepreneurship. In the evolutionary mode of entrepreneurial behaviour Dennis notes how the entrepreneur “works over the long term by creating a receptive environment” (p.46) and that “much of what is called entrepreneurship constitutes attempts to change, rather than play by, existing rules and environmental constraints” (p.61). Extending this argument, the book considers industries to be fields - sites of entrepreneurial activity that are characterised by different structural conditions, professional standards, social prestige (p.75) government controls and statutory requirements (p.105). Institutional theory scholars will recognise these issues as central to the concepts of isomorphism, agency and institutional fields.

Second, *If not for profit, for what?* is also one of the first texts to use the term “entrepreneurship” when referring to the processual nature of entrepreneurship (p.23). In the book, Dennis employs entrepreneurship when describing the introduction of new combinations (p.48) and the agentic quality of entrepreneurs (p.48, 69) as played out in entrepreneurial purpose, focus (p.55, 59) and behaviour (p.156). The concept of entrepreneurship then appears then to have lain quietly until recent elaborations in the context of socially motivated (Johannisson, 2011; Steyaert, 2007) and emancipatory (Calás, Smircich & Bourne, 2009) entrepreneurial behaviour.

In addition *If not for profit, for what* presents a nuanced understanding of the entrepreneurial process, in particular the entrepreneurial modes of behaviour in pre-venture stages. When describing pre-venturing, Dennis makes clear the emergent qualities of business processes, the fluidity of plans, and the dynamic relationship between the entrepreneur and their venture before it formally exists. “There may be some period of time during which the venture officially exists but is not open for business” (p.45). This may involve risk “opening programs before certifications or funds have been officially committed, circumventing regulations, or exposing themselves to other liabilities because of program exigencies” (p.69).

These contributions could only have emerged from a close relationship between a researcher and their data, rigorous analysis and scholarly theorizing. The fact that each of these findings has been advanced by subsequent scholarly work is testament to the innovativeness of the first edition. However the book also suggests intriguing areas for future research.

Looking forward in social entrepreneurship research

The emphasis on the heroic individual entrepreneur captures some, but not all, socially entrepreneurial activity. *If not for profit, for what?* describes how, in the entrepreneurial process, “there is generally at least one central figure (the entrepreneur) who catalyzes the venture and ensures its implementation” (p.43). Although the non-profit sector is noted to be a site of voluntarism, charity and community (p.96), instances where the community collectively leads the creation and management of a socially entrepreneurial venture do not feature strongly in the entrepreneurial modes of behaviour outlined in the book. Community-led social venture creation has recently attracted the attention of business and management scholars however we still know little about the motivations, profiles and behaviour of community entrepreneurs.

Although *If not for profit, for what?* acknowledges that non-profit organizations proceed along sequences of development that are familiar to other types of organizations (p.50), knowledge about the processes and dynamics of how non-profit ventures grow, mature and in some cases decline is still uncertain. What are the antecedents to non-profit organizational growth? Which variables determine whether non-profit organizations mature and reach stability, or decline and ultimately fail? What role does the social entrepreneur play in influencing the success or failure of their organization?

Finally, *If not for profit, for what?* discusses three alternative histories by which individuals enter the non-profit entrepreneurial pool (p.76): consistent attachment to one industry, entry from late career change, and continued flexibility in choice of industry. This model is extended to industry choice in which entrepreneurs either remain in one sector or, after gaining experience in one sector, then move to a different sector (p.89). The phenomenon of engaging with non-profit organizations as a second career choice is well known – many social entrepreneurs talk of “giving something back” to society after a successful career in the private sector. However, analysis of the antecedents and determinants of entrepreneurial career development paths has yet to be fully explored in the non-profit and social entrepreneurship literature.

It is clear that the book ranges widely over important theoretical concepts, practice and policy implications and is a trove of ideas – many of which have yet to be fully investigated and thus provide promising future avenues for research.

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References

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