Collision of Three Worlds: Legitimacy of Social Enterprises from the Perspective of Collective Actors

Luke Sims
Garry Yue

Main field of study – Leadership and Organisation
Degree of Master of Arts (60 credits) with a Major in Leadership and Organisation
Master Thesis with a focus on Leadership and Organisation for Sustainability (OL646E), 15 credits
Spring 2016
Supervisor: Fredrik Rakar
Abstract

A key aspect in legitimacy from an institutional perspective is the social evaluation of collective actors that create a generalized perception that an organizations action is desirable within some socially constructed system. Based on an empirical case based research, this paper interprets legitimacy highlighting the complex dynamics in a social enterprise in regards to the dualistic institutional logics. By adapting the evaluators perspective on legitimacy, we interpret the collective actors perception on the social enterprise examining the actors from various economic sectors. We further discuss the implication of the complex dynamic arguing for the impact from the institutional setting on the perception of social enterprises, suggesting that the social welfare system influences the perception and thus the positioning of the social enterprise. Lastly, we discuss the positioning of the social enterprise and its implication on the long-term sustainability in organization.

Key Words: Social enterprise, legitimacy, institutional logics, institutional setting, economic sector, collective actors
# Table of Content

1. **Introduction** ........................................................................................................................................................................... 1  
   1.1 Sustainability and the Uprising of Social Enterprises ........................................................................................................ 1  
   1.2 Challenges in Social Enterprises ........................................................................................................................................... 1  
   1.3 Institutional Logics and Collective Actors in Social Enterprises .......................................................................................... 2  
   1.4 Institutional Logics’ Impact on Legitimacy in Social Enterprises .......................................................................................... 3  
   1.5 Problem Formulation ............................................................................................................................................................... 3  
   1.6 Purpose ...................................................................................................................................................................................... 3  

2. **Pre-Understandings** ......................................................................................................................................................................... 4  
   2.1 Social Enterprises ...................................................................................................................................................................... 4  
   2.2 Social Enterprises in Sweden .................................................................................................................................................... 5  
   2.3 Organizational Legitimacy .......................................................................................................................................................... 7  
      2.3.1 Pragmatic Legitimacy ...................................................................................................................................................... 7  
      2.3.2 Moral Legitimacy ............................................................................................................................................................ 8  
      2.3.3 Cognitive Legitimacy .................................................................................................................................................... 8  

3. **Methodology** ...................................................................................................................................................................................... 9  
   3.1 Ontological and Epistemological Ground ................................................................................................................................. 9  
   3.2 Research Inference and Role of Theory .................................................................................................................................. 9  
   3.3 Case Based Research ............................................................................................................................................................... 10  
      3.4 Yalla Trappan the Case ......................................................................................................................................................... 11  

4. **Methods** .......................................................................................................................................................................................... 13  
   4.1 Collection of Data ....................................................................................................................................................................... 13  
      4.1.1 Interviews as Primary Data ................................................................................................................................................ 13  
      4.1.2 Semi-Structured Interviews ............................................................................................................................................ 14  
      4.1.3 Selection Process .............................................................................................................................................................. 15  
   4.2 Coding and Organizing of Data ................................................................................................................................................ 15  
   4.3 Analysis of Data ......................................................................................................................................................................... 16  
   4.4 Research Validity and Reliability ............................................................................................................................................ 17  
   4.5 Ethical Consideration ............................................................................................................................................................... 18  

5. **Presentation of Data** ........................................................................................................................................................................... 19  
   5.1 The Non-Profit Collective Actors .............................................................................................................................................. 19  
      5.1.1 Coinciding Values and Success ........................................................................................................................................ 19  
      5.1.2 Evaluation Based On Structures and Exchange ............................................................................................................ 20  
   Summary ........................................................................................................................................................................................ 21
Figures

Figure 1: Institutional balance in social enterprises ........................................... 5
Figure 2: Social enterprises intersection between economic sectors ................. 6
Figure 3: Research view in case based approach .................................................. 11
Figure 4: The formal structure of the Yalla Trappan ........................................... 12
Figure 5: Structure of case data ........................................................................ 17
Figure 6: Dynamic of public actors’ impact on the positioning ......................... 34
Figure 7: The impact of the Social Welfare System ............................................ 35
Figure 8: The institutional balance of Yalla Trappan ........................................... 35

Tables

Table 1: Definitions of social enterprises ......................................................... 4
Table 2: Organizational legitimacy .................................................................. 7
Table 3: Collective actors in Yalla Trappan ...................................................... 13
Table 4: Actors selected for interview ............................................................... 15
Table 5: Identified legitimacy ......................................................................... 28
Table 6: Summary of legitimacy from collective actors .................................. 28
Table 7: Identified tensions ........................................................................... 32
1. Introduction

In this section, we will first give a background to anchor our research problem and the purpose of this thesis in the contemporary phenomenon. We will discuss the challenges and tensions in social enterprises and further describe how these challenges influence their legitimacy. Finally, an institutional perspective will be presented leading to our problem formulation and the purpose of this paper.

1.1 Sustainability and the Uprising of Social Enterprises

Billions of people are continuously living in poverty, rising disparities of opportunity, wealth and power increases between nations and citizens, gender equality continues to be a key challenge among countries and unemployment are becoming major concerns. Moreover, environmental degradation including, drought, freshwater scarcity, loss of biodiversity and the increase in global temperature adds to the challenges which humanity are facing (UN General Assembly, 2015). With these social issues faced by humanity, there have been uprisings during the last three decades, in social responsibility and sustainability aspects in commercial organizations. In accordance with previous research on sustainability, CSR (Corporate social responsibility) has been developed as an understanding based on the assumption that in addition to the responsibility for economic wealth creation, organizations face responsibility towards social values (Werther & Chandler, 2011, p. 9). Sustainability from this definition is based on the idea that organizations have an obligation to support social causes and to sustain in the long term they need to both adhere to the economic and social values (Freeman 2010). Furthermore, with the increase of social responsibility in commercial organizations governing bodies and NGOs have increasingly addressed social issues and call for change and awareness. With the emphasis on social responsibility throughout all three sectors (private-, non-profit-, and public sector) collaboration have been created between the different sectors creating a blurred line between the traditional organizational forms (private-, non-profit-, and public sector) created to socially legitimate templates for building organizations (Battilana & Lee, 2014). With the increase of a blurred line between the three sectors, organizations have been established on these intersections to address social issues and still maintain commercial values. These organizations are often described as social enterprises where they contain a business-like operation primarily focused on a social mission and seeking to establish financial independence (Fayolle & Matlay, 2010). Social enterprise are defined as a result of conscious cross-breeding of different organizational forms, where the strongest attributes have been combined as a response to social challenges (Hockerts 2015). Social enterprises are further described as being an evolutionary form of capitalism where the collective benefit is considered in the hybridized organizational form (Kulothungan in Gunn & Durkin 2010). Furthermore, research suggests that the combination of different organizational forms create a venue for increased innovation and entrepreneurship (Battilana & Lee 2014; Gunn & Durkin, 2010, p.23). Social enterprises are moreover described as provide products and/or services that governments fail to arrange and are often prioritized in policy makers aiming at increasing the welfare while reducing public cost (Cordery & Sinclair, 2013). The social enterprises is thereby defined as operating in the intersection between the three different economic sectors with the aim to create social value through businesses-like operations (Battilana & Lee, 2014; Doherty et al., 2014).

1.2 Challenges in Social Enterprises

By existing in the intersection between the three different economic sectors social enterprises face certain challenges concerning balancing the different organizational forms and serve two categories of constituents, the customer of the commercial activity and beneficiaries of the social activities. In this challenge, Social enterprises are seen as standing at the risk of prioritizing one over the other and thereby jeopardizing the intersection of the hybridization (Battilana et al., 2015). In previous research on social enterprises, the challenges are described as tensions between the distinct organizational
forms in the hybrid. Tensions are explained as occurring both internally and externally, where in relation to Tolbert and Hall (2009, p. 139) the internal tensions can be described as a more closed system approach while external tensions can be seen as an open system approach. From this understanding, the internal tension can be described as regarding balancing the organizational logics in such macro processes as organizational identity, organizational culture, resource allocation and decision-making. While external tension represents a meso level concerning balancing institutional logics, described as taken-for-granted norms and values in the environment (Tolbert & Hall, 2009, p. 161). This to avoid being misrepresented and considered as only representing business or charity in the perception of stakeholder groups (Battilana & Lee, 2014). The tensions are further described in paradox studies as entailing four categorization of tension: performing, organizing, belonging, and learning, where the exploration of attending the competing demands of opposing logics are researched (Smith & Lewis, 2011). Balancing these tensions has been researched in previous studies where the creation of integrative organizational identity is seen as essential in social enterprises to balance the tensions and maintain the hybridity (Battilana & Lee, 2014; Smith & Lewis 2011).

1.3 Institutional Logics and Collective Actors in Social Enterprises

With the distinction of internal and external tensions being recognized in previous studies, the field of institutional theory has specifically focused on the external tension. Institutional theory emphasizes the relationship between organizations and its environment exploring the factors associated with survival and gaining their legitimacy (Smith et al., 2013). In describing an open system approach, Tolbert and Hall (2009, p. 161) mentions five paradigms to understand the environment where the institutional paradigm concerns the impact of the institutional environment. The institutional environment is described in this paradigm as shaped by governments, professional associations and other organizations to establish institutional logics, described as widespread social definitions of how organizations “should” look and operate (Tolbert & Hall, 2009, p. 162). Legitimacy from this framework is gained through aligning with the social rules, norms, and values representing a specific institutional logic (Meyer & Rowan, 1977). Furthermore, from an institutional perspective legitimacy is defined as an asset “owned” by the organization that remains a social evaluation made by others. In gaining legitimacy institutional theory, describes these actors as mainly collective actors, representing groups, organizations, or field-level actors evaluating and reinforcing collective legitimacy (Bitektina & Haack, 2015). The collective actors as evaluators make judgments about the properties of an organization and through their actions, generate positive (or negative) social, political, and economic outcomes. The actions of collective actors are described as entering into exchange relations with another actor or establishing an alliance or partnership. By these actions the organizations (as a collective actors) renders a judgment about the appropriateness of such a relationship, given the legitimacy of the prospective partner (Bitektina & Haack, 2015).

In dealing with the evaluation from different collective actors, institutional theory on legitimacy suggests the occurrence of institutional pluralism where organizations face competing demands (Pache & Santos, 2010). Research on pluralism draws on the idea of institutional logics which is defined as a set of material practices, values, beliefs, and norms that establishes the “rules of the game” at the societal level (Thornton et al., 2012). Social enterprises are described as hybrids embedded with competing logics within their core, dealing with both the social institutional logic and the commercial institutional logic (Battilana & Dorado, 2010; Battilana et al., 2012). The social logic focuses on improving the welfare of society while the commercial logic emphasizes profit, efficiency, and operational effectiveness. In being constructed as a hybrid the social enterprise is positioned in juxtaposition between competing institutional logics which presents varied and often incompatible prescriptions, leading to uncertainty, contestation, and conflict (Greenwood et al., 2011; Pache & Santos, 2010; Thornton, 2002).
1.4 Institutional Logics' Impact on Legitimacy in Social Enterprises

Existing in a field of multiple institutional logics and still remaining in a development stage previous research have addressed the challenges of not being able to rely on existing hybrid forms or experienced employees to handle the challenges triggered by two institutional logics (Battilana & Dorado, 2010). With the balancing of the social and commercial institutional logics and the lack of conformity to specific institutional structures, research on social enterprises has discussed the challenge of maintaining legitimacy (Doherty et al., 2014). Drawing from research in institutional theory, legitimacy is discussed by DiMaggio and Powell (1982); Scott (1992), who describes the increase of isomorphism, where legitimacy is seen as gained through mimicking influential organizations within the institutional field. From this understanding of institutional theory the development of legitimacy for social enterprises becomes challenging where the lack of a hybridized institutional form makes it hard for social enterprises to gain legitimacy through isomorphism. Previous research in legitimacy in social enterprises describe the dynamic as complex where, according to Connelly and Kelly (2011); Defourny and Nyssens (2006), social enterprises needs to create legitimacy obtaining to collective actors existing in both institutional logics, thereby balancing economic and social responsibility. With the phenomenon of managing legitimacy in conflicting institutional demands previous studies have been conducted (Tracey et al., 2011; Battilana & Dorado, 2010; Kuosmanen, 2012; Pache & Santos, 2010), researching how organizations strategically can gain legitimacy by managing conflicting institutional logics to maintain hybridity. From the understanding of Suchman (1995); Dart (2004) the research on legitimacy in social enterprises has thereby been approached from a strategic perspective rather than an institutional perspective. This implies a macro and managerial perspective in how organizations instrumentally gain legitimacy rather than a meso perspective oriented on the constructed embeddedness in the legitimacy from collective actors. Such studies as Pache & Santos, (2010); Tracey et al., (2011) have discussed the process of institutional entrepreneurship as a way of bridging institutional logics and to create internal organizational responses to competing demands and thereby maintain legitimacy. The focus in previous research has thereby been oriented in an organizational perspective on how to manage tensions deriving from competing demands.

1.5 Problem Formulation

As stated above with the complexity of social enterprises existing in the intersection of three economic sectors and further balancing institutional logics the research on legitimacy in social enterprises has been oriented in a micro and strategic approach (Tracey et al., 2011; Battilana & Dorado, 2010; Kuosmanen, 2012; Pache & Santos, 2010), while little empirical research has been done on examining legitimacy from a meso and institutional level of analysis (Dart, 2004; Bitektine & Haack, 2015). We thereby see the existence of a gap in organizational research in investigating legitimacy in social enterprises from an institutional approach. Furthermore, there lacks research in examining the perspective of the collective actors representing different economic sectors and what implication the complex dynamic of diverse sectors and logics has on the hybridization. We thereby intend to examine legitimacy in a social enterprise from the perspective of collective actors, and understand what implications the complex dynamic has on the balance of the two institutional logics.

1.6 Purpose

Our primary purpose is to interpret the legitimacy of a social enterprise from the perspective of collective actors representing different economic sectors. The aim further entails to explain how the complexity embedded in social enterprises, affects the understanding and evaluation of the organization and what implications it has on the balance of the institutional logics. To interpret and explain this purpose we develop a case-based research, obtaining data through interviews with collective actors in a social enterprise, representing the three economic sectors (private-, non-profit-, and public sector).
2. Pre-Understanding

This section contains previous knowledge within the field of study for this thesis. By acknowledging previous understandings, we aim to provide the reader with main theories in the field and how it may influence our research.

2.1 Social Enterprises

While there has been an increase in attention and research on social enterprises in the recent years there still exist various definitions of social enterprises. The continuously developing literature states that Social enterprises represent hybrids however, how this hybridized form manifests, differs in definition between studies. In regards to our field of study and more specifically our purpose, the pre-understanding of social enterprises as hybrids is defined through Battilana et al. (2014); Doherty et al (2014); Haigh and Hoffman (2014). From this understanding, the hybridity is described as combining different elements from for-profit and non-profit fields and mixing market-, and mission-oriented beliefs to address social or environmental issues. The summary of the definition of social enterprises can be seen in Table 1 below.

Table 1: Definitions of social enterprises

<table>
<thead>
<tr>
<th>Studies</th>
<th>Definition of social enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doherty et al. (2014, p. 418)</td>
<td>“Structures and practices that allow coexistence of values and artifacts from two or more categories”</td>
</tr>
<tr>
<td>Haigh &amp; Hoffman (2014, p. 224; 2012, p. 126)</td>
<td>“Organizations that combine elements of for-profit and non-profit domains: maintaining a mixture of market- and mission-oriented practices beliefs, and rationale to address social and ecological issues [...] adopting social and environmental missions like non-profits, but generating income to accomplish their mission like for-profits”</td>
</tr>
<tr>
<td>Lee &amp; Battilana (2013, p. 2)</td>
<td>“Combines multiple existing institutional logics, which refer to the patterned goals considered legitimate within a given sector of activity, as well as the means by which they may be appropriately pursued (...) exist between traditionally- legitimate categories of organizations”</td>
</tr>
<tr>
<td>Hasenfeld &amp; Gidron (2005, p. 98)</td>
<td>“(a) They seek to bring about social change though not necessarily through protest and other non-institutional means; (b) The services they provide, such as social and educational, are a strategy for social change; (c) Their internal structure is a mix of collectivist and bureaucratic elements”</td>
</tr>
<tr>
<td>Thompson &amp; Doherty (2006, p. 362)</td>
<td>“(1) The core of the organization is its social purpose, (2) Assets and wealth are both used in order to create benefits for the community, (3) The enterprise pursues benefit to the community by (at least in part) trading in a market place, (4) The employees are part of the decision making and/or governance within the company, (5) The organization is accountable to both its members and the community in a wider aspect, (6) There is a double- or a triple-bottom line paradigm, meaning that the most effective social enterprises are demonstrating high returns both socially and financially”</td>
</tr>
</tbody>
</table>

With multiple definitions of social enterprises, various terms have been created describing the hybrid forms, such as Hybrid Organization, Low-Profit Limited Liability Company, Blended Value Organization, Benefit Corporation, Mission Driven Organization, For-Benefit Organization and Fourth Sector Organization (Haigh & Hoffman, 2012). Furthermore, with the diverse definitions of hybrid organizations there exist little consistency to which category it should represent. Lee (2015) state that with a societal requirement to meet social, legal, cultural, economic and political expectations, social enterprises often stand in the conundrum of being registered as one organizational form but representing several. This dynamic is described as leading to problems with losing legitimacy in hybrid organizations. The implications of there not existing a suitable business category, results in confusion and misrepresentation, which leads to ambiguous understanding and thereby decreased legitimacy (Doherty et al. 2014). With ambiguity characterizing Social enterprises research in institutional theory on social enterprises, argue for the existence of pluralism that draws on the idea of institutional logic. As mentioned in the introduction the institutional logics refers to sets of sets of material practices, values, beliefs, and norms establishing the “rules” on a societal level (Thornton,
Based on this understanding, social enterprises is seen as rather facing a duality between the two institutional logics, social- and commercial institutional logic, each defining established norms, rules and behaviors for organizations to adhere to (Smith et al., 2013). From an understanding in institutional theory social enterprises are thereby described as embedding two conflicting institutional logics, social logic, oriented in social value, and commercial logic, emphasizing efficiency, and operational effectiveness. The two institutional logics are supported by distinct institutional structures where the social logic is associated with non-profit legal form while the commercial logic associates with the private legal form (Battilana et al., 2012). With social enterprises being hybridized organizations they are described as positioned on the intersection of the two institutional logics, constantly having to balance the opposing logics (Smith et al., 2013; Battilana et al., 2012). A summary of the positioning of social enterprises can be seen in Figure 2 below.

![Figure 1: Institutional balance in social enterprises](image)

The positioning between the intersection of the two institutional logics have been studied in previous research, where Battilana et al (2015); Smith et al (2013) suggest that social enterprises tend to diverge to the commercial institutional logic in the pursuit for resources. Relating to organizational sustainability the divergence shown in previous research can be seen as creating a deficit in the social value where the balance of both the economic (adhering to financial growth) and social value (upholding social responsibility) is seen as increasing long-term sustainability in organizations (Freeman (2010). The divergence can further be understood using an open system approach where Tolbert and Hall (2009, p 161) mentions five paradigms, (contingency-, resource dependency-, transaction cost-, institutional-, and eco-polulation paradigm) as influencing the organizations. The balancing of institutional logics from Battilana et al, (2015); Smith et al (2013) understanding, can be seen as guided by a resource dependency paradigm (Tolbert and Hall, 2009, p.163). This discusses the need for organizations to constantly look for financial resources, as none can be fully self-sustaining. The two main assumptions of the resource dependency paradigm are that 1). “Organisations seek to ensure access to stable flow of resources” and 2). “Organisational decision-makers seek to maximize their autonomy” (Tolbert & Hall, 2009, p.163). This implies, in relation to the balancing of the institutional logics, that organizations will tend to shift towards a commercial logic in order to survive and obtain new resources (Battilana et al., 2015; Smith et al., 2013).

### 2.2 Social Enterprises in Sweden

“For social enterprises, the goal is to create social benefits for individuals and society. They can be active in many different areas and are organized in different forms of enterprise and driven by individuals, groups or non-profit organizations.” (Verksam.se, 2016).
The description of social enterprises in Sweden lacks a distinct definition, as the shared understanding is that social enterprises are alternative solutions to respond to social challenges. With the ambiguous understanding, Swedish social enterprises can differ in both organizational form and by who and how they are managed (Verksam.se – Socialt Företagande 2016). Social enterprises in Sweden can be active in several different sectors however, a large amount is active in two distinct sectors, care and welfare and work integration. The social enterprises active in care and welfare are often referred to as values-based business (ideburna företag) aimed at providing citizens with the option of choosing care and welfare after their individual needs and preferences. The social enterprises active in the sector of work integration are represented by “Arbetsintegrerande sociala företag” or WISEs (Work integration social enterprises) these are aimed at creating work and pathways to employment for such groups who have particular difficulties in the labor market (Verksam.se, 2016). With different aims and being active in different sectors the social enterprises are still distinguished in that they share an aim towards promoting the value of an idea, not intended for direct private economic gains. The idea should benefit the general public or members interest and are not part of the state or municipalities (Verksam.se, 2016). Being that social enterprises are working towards benefiting the general public they are not necessarily a part of the governing body but they however have a strong relation with both the state and municipalities, collaborating with actors such as The National Board of Health and Welfare (Socialtjänsten), The Social Insurance Agency (Försäkringskassan), and The Employment Office (Arbetsförmedlingen). This collaboration with the public sector often concern different employment forms such as wage subsidy/security employment (lönebidrag/trygghetsanställning), to support the social enterprises (Sofisam.se, 2016).

From the dynamic in Swedish social enterprises, the hybridity can be seen as related to Doherty et al. (2014) understanding. Social enterprises is described as a mixture of multiple coexisting organizational forms, where Doherty et al. (2014) define the hybridity as structures and practices that is drawn from all three economic sectors (private, non-profit and public). The private sector is defined by the logic of the market force, which forces the organizations to act on maximizing their financial return and adhere to the shareholders. Non-profit sector utilizes logic of pursuing social and environmental goals through membership and volunteering, where the revenue is generated through funding and legacies. Public sector entails the logic guided by the principle of public benefit and the state, signifying resources through taxation (Dohery et al., 2014). From our pre-understanding of social enterprisers in Sweden, we see a strong relation to the dynamic of Doherty et al. (2014) where the strong relation to the state and municipalities creates a tri-polar dynamic for social enterprises (see Figure 2). Where the three sectors, private, non-profit and public, influences Swedish social enterprises and thus result in social enterprises adapting characteristics from each sector. Rather than just balancing the logics of the non-profit and private sector, the social enterprises in Sweden thereby are facing a tri-polar dynamic.

![Figure 2: Social enterprises intersection between economic sectors](image)

Figure 2: Social enterprises intersection between economic sectors
2.3 Organizational Legitimacy

Legitimacy maintains an intrinsic part of organizations where Dowling and Pfeffer (1975) describe the notion of acting in part with the societal confinement to guarantee the access of resources from various actors. By enacting with social norms and beliefs, organizations adapt to the existing institutional logics and thereby gain credibility from individual and collective actors within the institutional environment. Legitimacy thereby has an impact on not only how actors act towards organizations but how they understand them. Suchman (1995) describe legitimacy as enhancing credibility and stability in organizations. A central component of legitimacy is that it is generalized collective perceptions, which emerged from subjective judgments from individuals objectified at the collective level (Bitektine, 2011; Tost, 2011). This process of legitimacy often makes it seem as an objective organizational resource or asset independent of interpretations from single actors (Golant & Sillince, 2007; Zimmerman & Zeitz, 2002).

However, related to the scope of our study the pre-understanding of legitimacy is adapted as stated by Suchman (1995) and Dart (2004), which describes legitimacy as constructed on the base of individual and collective actors’ assumptions and perceptions. Legitimacy through this understanding is thereby not based on reality but rather on actors’ judgments on the social properties of an organization. Legitimacy is hence understood as socially constructed values and beliefs perceived by individuals and shared by a collective audience. According to Suchman’s (1995) understanding of legitimacy three broad types of organizational legitimacy is identified, termed pragmatic legitimacy, moral legitimacy and cognitive legitimacy. These are described as:

“Generalized perception or assumption that organizational activities are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman 1995, p. 577).

| Table 2: Organizational legitimacy in accordance with Suchman (1995) |
| --- | --- | --- |
| **Type** | **Definition** | **Relationship with constituents** |
| Pragmatic legitimacy | Organization fulfills needs and interests of its stakeholders and constituents. | Organization exchanges goods and services that constituent’s want, and receives support and legitimacy. |
| Moral legitimacy | Organization reflects acceptable and desirable norms, standards, and values. | Organization meets moral judgments about outputs, procedures and technologies, and structures |
| Cognitive legitimacy | Organization pursues goals and activities that fit with broad social understandings of what is appropriate, proper, and desirable. | Organization “makes sense” and/or activities are adherent to “taken for granted” socially constructed “realities.” |

2.3.1 Pragmatic Legitimacy

The pragmatic legitimacy is described as entailing the self-interest calculations of the immediate audiences in the organization. Meaning the legitimacy rests on the judgment of actors to whether activities in the organization benefits them personally (Suchman 1995). It represents the least abstract form of legitimacy where it boils down to either exchange based legitimacy influence based legitimacy or dispositional based legitimacy. The exchange based legitimacy rest on the idea of legitimacy being attributed to social acceptability by collective actors if the organizational activities create any form of direct value to the actors (Dart, 2004). The influence based legitimacy is described as a more socially constructed type of pragmatic legitimacy, where the support does not necessarily boil down to the exchange value, but rather that the organizational activities are somehow responsive to the actors’ larger interests. The third of the pragmatic legitimacy, dispositional legitimacy is described as representing support from actors based on such attributes as, “'have our best interests at heart,' that "share our values," or that are "honest," "trustworthy," "decent," and "wise" (Suchman 1995, p. 578).
2.3.2 Moral Legitimacy

Moral legitimacy differs in that it completely signifies a socially constructed support, where the legitimacy bases in the actors’ judgments on whether organizational activities is the right thing to do. Schuman (1995) describes moral legitimacy as, “sociotropic”—it rests not on judgments about whether a given activity benefits the evaluator, but rather on judgments about whether the activity is "the right thing to do.” (Schuman 1995, p. 579). From this understanding, the judgments are described as reflecting beliefs in whether the organizational activities support societal welfare, as understood by the socially constructed value system. The moral legitimacy thereby refers to the normative domain of property rather than self-interest, where support is gained by actors through the perceptions that organizational activities is undertaken in accordance to what should be (Dart, 2004). In accordance with Suchman (1995), the moral legitimacy consists of different types, dependent on the evaluation of the stakeholder groups.

“In general, moral legitimacy takes one of three forms: evaluations of outputs and consequences, evaluations of techniques and procedures, and evaluations of categories and structures” (Suchman 1995, p 579).

The type containing to evaluations of output is defined as consequential legitimacy, which regard that organizations should be judged by what they accomplish. In this understanding, the moral legitimacy is seen as standards or objective pertaining to societal welfare, which the actors judge should be meet in the organization. The legitimacy involving evaluations of techniques is described as procedural legitimacy. This type of legitimacy is described as garnered when there exists an absence of clear measured outcomes for actors to make judgment on. The moral legitimacy in this type is instead garnered through judgment of technique and procedures where the organization can gain support through embracing socially accepted processes that may serve to achieve valued, albeit unmeasurable, outcomes (Suchman 1995, p 580). Lastly the moral legitimacy involving evaluations of categories and structures is titled as structural legitimacy, in which legitimacy is garnered through actors’ judgments of the structural characteristics and if it’s located within a morally favored taxonomic category.

2.3.3 Cognitive Legitimacy

The cognitive legitimacy is referred to as “the basic, preconscious, taken-for-granted assumptions about the nature and structure of social activities such as the organization” (Dant 2004, p. 421). This legitimacy suggests a dynamic based on cognition rather than interest or evaluation, where legitimacy is based upon two key elements, comprehension and taken-for-grantedness. The comprehension represents a view in which legitimacy is seen as stemming from the availability of cultural models, which provides understandable explanations on the organizations and its activities (Suchman 1995). The taken-for-grantedness entails a view where legitimacy depicts intersubjective “givens” rendered by institutions, where actors garner support on the understanding of “to do things differently would literally be unthinkable”. The cognitive legitimacy is thereby described as representing the subtlest and powerful source of legitimacy (Suchman 1995).
3. Methodology

“Methodology is not just - and is often not very much at all - a matter of method, in the sense of using appropriate techniques in the correct way. It is much more to do with how well we argue from the analyses of our data to draw and defend our conclusions.” (6 & Bellamy, 2012, p. 11) Based on this understanding we will present the underlying philosophical positioning of our research. Furthermore, we will argue for our research design as a case-based approach.

3.1 Ontological and Epistemological Ground

The ontology and epistemology concerns the philosophy of science and entails how we understand and obtain knowledge and reality (6 & Bellamy, 2012, p. 60). In accordance to our purpose and the understanding of legitimacy as socially constructed where it concerns the perception and assumptions of actors, this paper’s viewpoint is based on constructivism, which is described and understood as the study of how individuals construct knowledge and understanding through their personal experience (6 & Bellamy, 2012, 57). Furthermore, with a view of legitimacy from an institutional perspective a foundation in constructivism can be seen as appropriate where this viewpoint recognizes that institutions are human inventions validated through people's acceptance and represent social facts with recognition (6 & Bellamy, 2012, p. 57). With the aim of interpreting and exploring legitimacy from the perspective of collective actors the constructivist viewpoint is thereby applicable and allows exploring with the knowledge of our findings being context specific and representing interpretations.

Furthermore, approaching with a constructivist philosophical view the study ensures a perspective aimed at understanding how actors make sense of legitimacy which enables the analysis to represent the actors’ viewpoints. In addition to considering actors’ interpretations, the adoption of a constructivist perspective further entails the consideration of the researchers’ personal and professional background (Berg, 2004, p. 27). Seen in the previous section, our pre-understanding provides an insight into the theoretical background that shapes our view when analyzing the case.

3.2 Research Inference and Role of Theory

According to 6 and Bellamy (2012, p. 12) methodology is described as consisting of two main concepts, inference and warrant. Inference is the way in which we use our knowledge to make assertion on phenomenon we cannot directly observe and where the choice of research instrument is dependent on theories how those instruments work. The warrant is signifying the confidence in the capability in the inference to deliver truth on the phenomenon. Based on this understanding our research follows an interpretive inference, which entails gaining understanding of a phenomenon through interpretation of specific actors understanding (6 & Bellamy, 2012, p. 11). With a focus on understanding legitimacy and how it is evaluated from the perspective of the collective actors and in relation to our philosophical choice of constructivism our claims fall in line with an interpretative inference. Moreover, with the purpose of examining the complexity embedded in social enterprises and its implication on the evaluation and positioning of Yalla Trappan we follow an explanatory inference. This is described as “explaining how something came about” (6 & Bellamy, 2012, p. 17) and try to gain understanding of why something manifests or happens. From this understanding, we thereby use an explanatory inference to explain the implications of the complexity embedded in social enterprises and its influence on legitimacy.

The research approach describes to what extent theories are used when establishing knowledge in relation to the inference. The differentiation is made between an inductive and deductive approach where the inductive rely more on empirical data when obtaining knowledge while deductive implies the use of established research and theories when acquiring new knowledge (Berg, 2004, p. 16). With an interpretive inference and a constructivist understanding in our research, an inductive approach is more appropriate as it allows for more openness throughout the research process. In line with our
research purpose, an inductive approach further allows for unpredictable outcomes in our findings where the legitimacy of the collective actors is grounded in the empirical data. However, in accordance to 6 and Bellamy (2012, p. 77) all social science has some deductive attributes in that it builds on previous research which in relation to our study concern legitimacy from an institutional perspective. In our research approach, we draw on previous research to understand legitimacy as facing tensions in social enterprises. However, when approaching the empirical data, no assumptions on the legitimacy from the collective actors are made. We rather let themes emerge inductively through our analysis. We thereby start the research from a position where the drawn conclusions are unknown and where the research process is based on collecting and analyzing the data (6 & Bellamy, 2012, p. 76). However, to get a deeper understanding of the findings in our research we bring the inductively emerging themes in relation to existing theories on legitimacy to make further sense of the empirical data (Berg, 2004, p. 17). We believe that by integrating existing theories to our inductive approach we can gain a better comprehension of what legitimacy the collective actors perceive in relation to the social enterprise.

3.3 Case Based Research

To achieve our purpose of interpreting the legitimacy and its evaluation from the collective actors’ perspectives, the research design is constructed as a case based research. In accordance with 6 and Bellamy (2012, p. 103) this research design represents a within-case analysis signifying an approach based on isolating the interest area by examining patterns and differences within the same unit. By using a case based research, the case itself becomes the main unit of analysis which in our research is Yalla Trappan a women's cooperative located in Malmö (Yin, 2009, p. 25). By isolating the analysis to Yalla Trappan, the aim is oriented towards getting a more holistic understanding of the case, looking at how the legitimacy in Yalla Trappan relates to its particular context and how and why it changes. In accordance with the research purpose, the aim is to interpret legitimacy from the collective actors suggesting a perspective based on various external actors. However, the study concerns the isolated phenomenon of legitimacy in Yalla Trappan, which centers the study to one particular subject and within one particular unit (Yin, 2009, p. 46). Yalla Trappan thereby represents the case whereby the collective actors enable us to get a deeper understanding of the element of legitimacy in the case. An overview of our view in our case study can be seen in Figure 3 below, where our case concern Yalla Trappan however, the perspective oriented towards getting a holistic understanding where we look at the different collective actors and the relation to the institutional logics.
By using a case based approach to our research there are some considerations on the generalizability of our study and what the findings represents. In accordance with Stake (1995, p. 7) the aim of a case is not to conclude to generalizations but rather optimize understanding and get a depth in the analysis of the case chosen. In line with our constructivist ontological view and our interpretative inference, we thereby do not claim to make any generalized conclusions but rather focusing on the level of sense making, which is relevant to our interest in the construction of legitimacy and its interpretation by stakeholder groups.

3.4 Yalla Trappan the Case

Yalla Trappan is a women's cooperative oriented towards increasing integration and empowering women who are segregated from the employment market. The social enterprise in situated in Rosengård, Malmö Sweden and is oriented as a Work integration social enterprise (WISE) with a target group of women of non-Swedish origin born outside the OECD / EU region who are currently located in Rosengård. The members of Yalla Trappan often lack any previous work experience either in Sweden or from their home country and are further limited both in the Swedish and English language. The overall aim of Yalla Trappan is to promote increased employment and reduced exclusion by allowing the participant to develop their competencies and create an opportunity to approach the labor market at their own pace, step by step (Yallatrappan.se, 2016).

The organization is currently employing twenty women and is divided into four commercial branches (seen in Figure 4 below): cooking (café, catering, lunch, marmalade), cleaning- and conference service, sewing studio, study visits and guided tours. Parallel with their commercial branches Yalla Trappan conduct a long-term project which is a 6-month long training program that is oriented in leading the participants to the labor market by providing work skills and knowledge.
Yalla Trappan started in 2006 as a project aimed at improving the social situation in the Rosengård neighborhood of Malmö. This project was funded and run by diverse public body such as UC Rosengård, the European Social Fund, the Education Department (City of Malmö and the ABF Malmö) (Yallatrappan.se (Yallatrappan.se, 2016). The “Trappan (step by step)” project gradually shifted towards female entrepreneurship only. In 2010, the project was considered successful and was ended (Yallatrappan.se, 2016). It then continued in the form of an independent body under the legal status of a WISE. The idea was the following, Yalla Trappan had been achieving the set social goals however it relied solely on public funding putting it at risk of not financially sustain itself on the long run in the event of a fund refusal. Creating the independent body rather than remaining a public project allowed the team to grow the initiative towards more socially excluded women in Rosengård. It has since grown from 5 to 30 employees (Yallatrappan.se, 2016).

From that perspective, Yalla Trappan represented perfectly the entity needed for our paper’s purpose. Social entrepreneurship is a field of study that is constantly being improved and growing. The definition of social enterprise is still very vague and differs from one researcher to another. However, in this paper we remain with the concept of a hybrid organization that aims at creating social value using general business practices through the merging of both organizational logics (Battilana & Lee, 2014; Doherty et al., 2014). Yalla Trappan is labelled as a work integrating social enterprise (Yallatrappan.se, 2016). Because they started as a public project for social improvement, the social aspect remains very embedded in the spirit of the organization. However, as the project was successful on a small scale, there has been a will to grow using business methods. Moreover, one objective set by Yalla Trappan is to help these women to fit in the Swedish labour market and operating as a business made the impact stronger. To do so they have different divisions operating under business practices. The studio is in the sewing industry, the catering division runs a restaurant and the cleaning division has orders in different areas of the town. The general manager, Therese Frykstrand, state, “Social benefits is the purpose, economic profit is the means.” (Yallatrappan.se, 2016). In order to generate revenue, collaborative actors and partners is necessary. The transparency of the organization was also another favorable criterion as it eased the process of finding whom they worked with. This allowed having access to plenty of their partners and reaching the number of 6 interviews increasing the reliability of this paper. The validity is also improved as the more empirical data from the collaborative actors the more the research can reflect the truth. As stated before the social construction views of the authors remain throughout the whole research process thus, the more data we have the more advance is the possible construction.
4. Methods

This section explains how we gather the data needed to answer the purpose of this study. We first go through why we chose interviews and how they were constructed to fit the thesis. We then continue with describing how the interviews were conducted and further present the selection process for our respondents. We end this section describing the thematic coding of the collected data and further discuss the reliability and validity.

4.1 Collection of Data

Related to our research inference and purpose, which is characterized by a qualitative study, our perspective put emphasis on understanding the social confinement and how actors relate to it and create perceptions within it (Bryman, 2011, p. 345). The qualitative approaching our study is further described as characterized by a close relation and interplay with the research object and/or research subject. This approach can often result in a research, which takes its premise in the research subjects’ opinions and interpretations (Bryman, 2011, p. 340).

With this approach in our research, the collection of empirical data has had a basis in understanding and interpreting the collective actors’ opinions and perceptions. To achieve this, we have chosen qualitative interviews as our primary empirical data in our research. The conduction of qualitative interviews has allowed us to interpret multiple views in the case and conduct different perspectives from the interviewees (Stake, 1995, p. 64). Furthermore, the use of qualitative interviews has made it possible to have a closer relation to the research subject, as interviews are described as characterized by sharing the subjects’ perceptions and experiences (Bryman, 2011, p. 340).

4.1.1 Interviews as Primary Data

In order to answer the purpose of the research, which is to interpret the legitimacy of social enterprises from the collective actors, we have conducted six semi-structured interviews. Aligned with our philosophical perspective and our research approach, semi-structured interviews best allowed us to assemble qualitative data to further examine the legitimacy from collective actors’ perceptions (Berg, 2004, p. 80). With an interpretive inference grounded in the collective actors’ perspectives, interviews where only conducted with various actors that were externally attached to our case. To best get as a diverse representation of collective actors as possible, we arranged interviews with actors representing different economic sectors (public, private and non-profit). With six interviews conducted in the study, each economic sector is represented by two interviewees.

Table 3: Collective actors in Yalla Trappan

<table>
<thead>
<tr>
<th>Case</th>
<th>Sector</th>
<th>Actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yalla Trappan</td>
<td>Non Profit Sector</td>
<td>Collective actor I</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collective actor II</td>
</tr>
<tr>
<td></td>
<td>Private Sector</td>
<td>Collective actor III</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collective actor VI</td>
</tr>
<tr>
<td></td>
<td>Public Sector</td>
<td>Collective actor V</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collective actor VI</td>
</tr>
</tbody>
</table>

With a cased based approach and intent to interpret the legitimacy from the collective actors, we have chosen to keep the interview subjects anonymous in our study. This was done to allow the respondents to share their opinions and perceptions without feeling the pressure of misrepresenting Yalla Trappan as a specific collective actor. The decision of keeping the interviewees anonymous will farther be discussed below (4.5 Ethical Considerations).
### 4.1.2 Semi-Structured Interviews

Aligned with our choice of a qualitative research approach, the semi-structured interview as our primary research method allowed us to collect our empirical data with an open mind and an inductive approach. Semi-structured interviews are described as characterized by flexibility where the interest of the interviews are oriented more towards the interviewee rather than the study interest of the one conducting the interview (Bryman, 2002, p. 413). This understanding can be seen as familiar to our social constructivist understanding where a semi-structured interview allows the interviewees unique perspective to be manifested in their experiences, which in combination with multiple perspectives from collective actors allow for a more complete understanding of the constructed reality of our case (Berg, 2004). Furthermore, with a semi-structured approach the collection process allowed the collective actors to more openly discuss their relation to Yalla Trappan and still allowed us to cover specific themes in the interview. This was done by establishing an interview guide covering specific themes, which secured that the interview covered our inference rather than a specific pattern. The themes established in the interview guide (see Appendix A) was created in relation to our pre-understanding where previous research on legitimacy define it as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate” (Suchman 1995, p. 574). From this understanding, we created the themes to understand how the collective actors perceived the 1) value of Yalla Trappan, 2) differentiation in Yalla Trappan that made them attracted 3) challenges in Yalla Trappan that made them undesirable. From these themes constructed from our pre-understanding in social enterprises and legitimacy questions were constructed covering each theme.

The process in which the semi-structured interviews were conducted differed depending on the collective actor and their availability. From our six interviews three were conducted by personal meetings at the location of the collective actors’ offices, while the other three were conducted by phone interview. The interviews were conducted openly meaning that the duration of the interview varied between 30-min up to 60-min. To make the interview as open as possible we conducted the interview without a strict interviewee – interviewer relationship, we rather incited with comments and questions but focused strongly on letting the collective actor speak their mind and give their constructed perspective and interpretation (Kvale & Brinkmann 2009). As the only one of the researchers speaks Swedish proficiently, the interviews were conducted in English to allow both researchers to partake.

Limitations we recognized in the semi-structured interviews and the approach of a more open ended discussion was that the discussion from the interviewees’ perspectives had a tendency to diverge from the topic and collaboration of Yalla Trappan, where they at times rather discussed their own organization in regards to processes, development and challenges. In these instances, we often had to rely on our interview guide to steer the conversation back to the interview themes (Kvale & Brinkmann 2009). Another limitation we recognized in our interviews was the language, even though the interviewees were prolific in the English language and from our understanding had a high level of English comprehension, the language commonly used in their business relations is Swedish. This was evident throughout the interview where the collective actors often referred to some Swedish terms regarding the collaboration and had to directly translate some descriptions.

To capture the empirical data during the interview we recorded the interviews, this allowed us to focus more on the conversation with the collective actor rather than conveying any interruptions by constantly taking notes (Berg, 2004, p. 81). The recording further helped us to preserve the original content and interpretations so to not stray too far from the intent of the collective actor in our analysis (Kvale & Brinkmann 2009). When conducting the interview both by phone and personal meeting both researchers were present. The transcription of the interviews where done as close to the interview as possible to lessen the ambiguity in the interviewees responses. The transcription process was done as thoroughly as possible to preserve the full meaning of the responses but to also capture the disposition of the collective actor in the responses (Silverman, 2011, p. 183).
4.1.3 Selection Process

In the selection process a key factor was to find diverse actors representing different sectors. Aligned with our case based approach a selection process characterized by identifying collective actors from different economic sectors creates a varied perspective of Yalla Trappan which help us get a more complete understanding of their legitimacy and further support our social constructivist understanding of the case. Our selection process therefore was aligned with a non-probability sampling and more specifically a quota sampling, which is described as when the selection process is done after the researches own preferences for the field of study (Bryman, 2002, p. 350). With this selection process, the respondents thereby became two collective actors from separate organizations representing each economic sector.

Table 4: Actors selected for interview

<table>
<thead>
<tr>
<th>Collective Actors</th>
<th>Company</th>
<th>Respondent</th>
<th>Duration</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective actor I</td>
<td>Company A</td>
<td>Helena</td>
<td>27:48 min</td>
<td>2016-04-25</td>
</tr>
<tr>
<td>Collective actor II</td>
<td>Company B</td>
<td>Fia</td>
<td>22:21 min</td>
<td>2016-05-06</td>
</tr>
<tr>
<td>Collective actor III</td>
<td>Company C</td>
<td>Mark</td>
<td>36:23 min</td>
<td>2016-05-03</td>
</tr>
<tr>
<td>Collective actor IV</td>
<td>Company D</td>
<td>Ruth</td>
<td>21:16 min</td>
<td>2016-05-06</td>
</tr>
<tr>
<td>Collective actor V</td>
<td>Company E</td>
<td>Tom</td>
<td>28:13 min</td>
<td>2016-05-03</td>
</tr>
<tr>
<td>Collective actor VI</td>
<td>Company F</td>
<td>Daisy</td>
<td>53:30 min</td>
<td>2016-05-04</td>
</tr>
</tbody>
</table>

The identification of the collective actors was done through Yalla Trappan where we first went through their webpage to select any preferred stakeholders. The second step was contacting Yalla Trappan, which was done both by email and by a personal meeting. In the personal meeting with the CEO at Yalla Trappan we verified some of contact information and asked for further suggestions on any collective actors to interview. In meeting the CEO of Yalla Trappan some of our selected stakeholders through the webpage changed as the CEO advised us of some other actors that have a closer and longer collaboration with them. The selection process we used to identify collective actor was complemented by a chain referral sampling where the respondent at Yalla Trappan became a gatekeeper to identify prominent stakeholders and gather contact information (Bryman, 2002, p. 350). With this approach, the selection process can be seen as subjective to our study however, with the approach of a qualitative research and in relation to our research design the purpose is not to create a generalizable representation in the selection but rather collect qualitative empirical data from collective actors.

4.2 Coding and Organizing of Data

The first step undertaken once the interviews were conducted was to transcribe the interviews. By transcribing the interviews, it allowed us to better comprehend the content from the interviewee. Moreover, this facilitated the process of reading through and highlight the interesting quotes and passages that would properly fit out research purpose (Seidman, 2006). In order to code and organize our data, the systematic thematic analysis proposed by Grbich (1999) in Silverman (2011, p. 260) was used. This process is described as focusing on searching for underlying themes identified in the data collected and consists of five stages; familiarize with the dataset, generate initial codes, search for themes, review themes, and refine themes (Silverman, 2011, p. 260).

The first step is according to Grbich (1999), Braun and Clarke (2006) in Silverman (2011, p. 260), described as fundamental, where the researchers first familiarize themselves with the data. This process was continued with a written version of the interviews, which allowed us to further comment words, sentences or paragraphs to remember the initial thoughts. Initial thoughts are part of the first impression that helps to keep a genuine approach. The tasks of reading and looking for general concepts were separated between the authors. Having both researchers independently reviewing the interviews was a way to generate codes from different point of views. Both researchers attempted to be impartial and least biased in order to be as natural as possible. Here the nature of the paper is constructivist as the results are based on the views of the collaborative actors and the researches must
not distort the information with their personal views and previous experience. This initial coding generation was done by following the second step inferred by Grbich (1999), Braun and Clarke (2006) in Silverman (2011, p. 260) which were highlights of the quotes that most represented the concept fitting our research purpose.

The approach here is inductive which means the researchers read and highlighted concepts that they thought about when reading thoroughly rather than having some prepared ones that could be found within the interviews. The codes generated by each researcher were then overlapped in order to find similar concepts. This then created a first grouping of codes, which in accordance with Silverman (2011, p. 260) allowed us gather all data possible from the transcripts.

4.3 Analysis of Data

Continuing on the inductive approach in the organizing and coding of our empirical data and the thematic analysis inferred by Grbich (1999) and Braun and Clarke (2006) in Silverman (2011, p. 261), the analysis of the data continued with step three, four and five of the thematic analysis, search for themes, review themes, and refine themes (Silverman 2011, p. 262). This included looking for similarities and differences in the interviews, this by using the codes we have constructed in the previous steps. By using the constructed codes, we could search for emerging themes in the data by going through the codes from each economic sector. In this analysis process, we first went through the non-profit sector where the codes from the interview manifested three themes, coinciding values, evaluation of structure and evaluation of output. By applying the same process on the two other economic sectors, we could interpret the perceptions on Yalla Trappan from collective actors representing both private and public sector. In the analysis of the private sector, three themes emerged clearly from the codes, exchange value, evaluation based on the market, and a need for change. From the public sector the equally three themes emerged, incentive from political body, evaluation based on impact on societal welfare and adapting to the market and organizational challenges.

Once we had all themes for each economic sectors, we reviewed and refined them (Grbich,1999; Braun & Clarke, 2006 in Silverman, 2011, p. 261) so they could be contrasted. The themes would be guidelines to interpret the perception of the different institutional logics on Yalla Trappan and it was thus important to be able to related one to another. To review and refine the themes we went through the emerging themes from the different economic sectors and related it to our pre-understanding to conceptualize the perceptions from the collective actors. This process categorized the themes using Suchman’s (1995) three types of organizational legitimacy: pragmatic legitimacy, moral legitimacy and cognitive legitimacy. By using our pre-understanding in the review and revising process elevated the analysis to get a understanding of what the empirical data was telling in relation to our research purpose. The whole process can be found in Figure 4 below.
4.4 Research Validity and Reliability

The source of the data comes from interviews performed with partner organization of Yalla Trappan. We had the contact details from the CEO of the organization. This implies that the interviewees personally knew the social enterprise and had a personal opinion on the relationship and the activities. Because the paper is of a constructivist nature, there are no neither right nor wrong views and perception on the legitimacy of social enterprise. This thesis only depicts the views of the collective actors and interprets the implications this has on the legitimacy of Yalla Trappan.

During the data collection process, we used Stake (1995, p. 49) understanding, which mention that the external readers must be able to observe and record in the same way as the authors have. This allows to be less biased. However, everyone has personal experiences that will shape the manner they view and analyze one information. Moreover, the personal perception of ontology and epistemology will interfere with the constructivist approach. To remain true to this research we used the concept of triangulation. By having two researchers going through the transcripts independently, discussing and merging the findings, helps to limit the personal bias. The merging of codes helps to find convergent points in search of the impartial and least biased data.
Furthermore, in order for the readers to follow the thinking process of the researches, quotes of the interviewee will be heavily used (Bryman, 2002, p. 351). This will allow presenting what and why this paper comes up with the analysis. This is important as other researchers can contrast their findings with ours, which improves the scientific research on the topic of social enterprises. We also wish to quote Stake (1995, p. 49) understanding of analysis when discussing the validity and reliability of our analysis;

“*There is no particular moment when data analysis begins. Analysis is a matter of giving meaning to first impressions as well as to final compilations*.“ (Stake 1995, p. 49)

Our study follows an inductive pattern, which means that the use of theories was in the sole purpose to help guide the thinking and analysis process of data. The role of theories was also to help anchor the data creation in contemporary research on the topic and keep the reliability and validity of this thesis high.

### 4.5 Ethical Consideration

We have decided to keep the collaborative actors of Yalla Trappan anonymous. The names of the organizations and the interviewees that represented them have been assigned aliases. Companies have been lettered A to F and the interviewees have pseudo names which, we hope, are not of any member of the organization and all resemblance is coincidence. Doing so allows for personal biases and opinions on the organizations’ practices to be removed from the analysis (Berg, 2004, p. 58). The social construction of the definition of social enterprises should remain as objective as possible and not be tainted by the externalities of the organization. We want to avoid evaluating the views of partners as they all represent the perceptions of the collective actors. Another important factor is that it keeps the response from the interviewee’s objective, because they were told their anonymity would be protected, they would not fear to truly talk their thoughts on the subject. Fear can be a factor of autocensorship, which in turn would reduce the validity of our research (Berg, 2004, p. 65).

The interviewees were told the purpose of the study and that their words would be recorded for transcription purpose. Consent from them was given vocally and not written. Moreover, the interviewees had the possibility to review our research before submission to check our use of their words and to prevent the authors from distortion. This is partially related to the use of English during the interview, which is not the primary language of the interviewees. As mentioned above one of the two authors does not speak nor understand spoken Swedish, which was why all interviews were done in English. However, some expression or words were said in Swedish, emphasizing an importance to allow the respondents to check our understanding and thus reduce misunderstandings due to languages.
5. Presentation of Data

In this chapter we present the data that was collected, organized and coded in our thesis. Furthermore, the background information for the collective actors interviewed is presented. The aim of this chapter is to present the empirical data and the identified themes from the collective actors representing the three different economic sectors.

5.1 The Non-Profit Collective Actors

The two non-profit organizations collaborating with Yalla Trappan are active within different fields and addresses separate challenges in society. One of the non-profit organizations collaborating with Yalla Trappan has been in partnership with them for almost a decade. Company A is active in contributing to a better life and a better world for all. The members in Company A support society’s most vulnerable individuals by providing social activities in the communities they are active within. Company B is active in organic development and is dedicated to contributing to both social and environmental challenges by providing local resources. The non-profit organizations are active in different levels, where Company A is located throughout Sweden in different communities and Company B are active within the city of Malmö in different urban areas. Both Companies are acquiring resources based on both donations and volunteering, where Company A collects through its members while Company B collects through local contributions and partnerships.

5.1.1 Coinciding Values and Success

In discussing the collaboration with Yalla Trappan the coinciding values was a clear factor in the decision. The non-profit collective actor’s primary purpose is to contribute socially to the community in which they operate within both by having responsibility inside the organization and outside the organization. Helena at Company A describes it as;

“Well I would say that the first question for our organization is how can we contribute and not what we can get from you, and our responsibility. I would say our responsibility and our duty is twofold, it’s inside the company building and outside the company building. “(Helena, Company A, personal communication, April 25, 2016)

Being a non-profit organization their values are prioritized in their decision-making and when evaluating partners and collaborations. During the interview with Company A it emerged clearly that the collaboration with Yalla Trappan was based on the supporting values that they shared for the better of vulnerable individuals within the community they are active within. Being a non-profit organization Company A further stress that the evaluation of Yalla Trappan as a partner isn’t for their material or financial success but rather the shared interest and the opportunity to contribute to the community of Rosengård.

“We didn’t choose Yalla Trappan because it was successful in numbers, but because [Yalla Trappan] focused on values which we could participate with. It was the values and I think the energy of the place. It is an interesting meeting place in an area where there aren’t many. “(Helena, Company A, personal communication, April 25, 2016)

The understanding and comprehension of Yalla Trappan from Company A is thereby defined as an enterprise that has a strong value of socially contributing to the community. Yalla Trappan represents a beacon in its community to contribute to vulnerable individuals, create a meeting place and inspire collaborative efforts to support specific issues within the community in Malmö. Company B further confirmed this reasoning where Fia describes how Yalla Trappans values coincide with theirs, of contributing to and using the local resources to unveil the potential of the community.

“For us in collaborating with Yalla Trappan it was more about their values of contributing to the area of Rosengärden and finding the true potential of the local people so to say, this is a value we share of contributing to communities and using local resources. “(Fia, Company B, personal communication, May 06, 2016)
Helena at Company A mentions how Yalla Trappan inspired and helped them fulfill their value of socially contribute to the society by having strong social values and a purpose to create integration within its community.

“So our question is: how can we contribute and what can we learn from others? So, I would say that Yalla Trappan really helped us to see how we can do so in the area. They helped us with our mission so to say, to understand what the people need in this part of Malmö, and how we can get to together to do something more than when each organization does its own things.” (Helena, Company A, personal communication, April 25, 2016)

The attraction for Yalla Trappan based on its values is further described by Fia at Company B when discussing the collaboration and the alignment of values in the partnership.

“For us, and an organization like ours, we want to contribute and participate in the neighborhoods good and bad and of course we do that better together using the resources available. So, we very much represent the same values.” (Fia, Company B, personal communication, May 06, 2016)

The emphasis of Yalla Trappans values was further seen in the description of their success as a factor in collaborating with Yalla Trappan. Both companies referred to their success when describing their intentions to collaborate however, the success was not in regards to their financial value but rather the achievements which co-align with Yalla Trappans values. Fia at Company B describe their success as the opportunity to create social networks for women in Rosengården and allow them to achieve their potentials, which Yalla Trappan has allowed. Helena at Company A describes the success as;

“Well first of all it’s successful. It’s successful in the fact that no one else has managed to help women who stands far from the job market, to actually get a job.” (Helena, Company A, personal communication, April 25, 2016)

Yalla Trappan achieved the integration of women to the job market, a cause that few other organizations have managed to successfully achieve for the members in Yalla Trappan. The two non-profit actors’ interpretations of the success factor at Yalla Trappan thereby signify their social achievements. Fia at Company B further confirms the success by describing the amount of employment opportunity Yalla Trappan has created;

“And today I see that, I think [Yalla Trappan] are like 30 people that are hired, have a job there now. And of course when I came to Malmö there were not so many.” (Fia, Company B, personal communication, May 6, 2016)

The rationality behind the collaboration with Yalla Trappan signifies an importance of aligning values where the two non-profit companies view them as sharing the aim towards helping socially in the community of Rosengården. The non-profit organizations thereby recognize Yalla Trappan as sharing the same interest of developing and supporting the community by integrating vulnerable individuals. Furthermore, the non-profit actors’ further value the success factor of social achievements in regards to creating job opportunities for the target group.

5.1.2 Evaluation Based On Structures and Exchange

Another emerging interest when describing the partnership with Yalla Trappan was the description of the organizational structure and how the cooperative arrangement in Yalla Trappan increased the attractiveness of collaborating. The structure, which allows for the integration of all members in Yalla Trappan is described as compatible with the cause and the values which Company A supports. With a cooperative structure and a more horizontal and democratic structure the company is seen as allowing for empowerment and an introduction to a democratic process for those members which previously been in a vulnerable and segregated situation. Company A views the structure as encouraging members and allows for responsibility and thereby the integration to work and society. Helena states it as;

“The cooperative dimension of Yalla Trappan highlights how every person value is considered equal. And every women has a voice and every women must be a part of the decision making which is a very democratic structure. This is a fantastic way to empower the individual, and to educate in a democratic society.” (Helena, Company A, personal communication, April 25, 2016)
Fia at Company B confirms the interpretation when describing their own way of working at how Yalla Trappans structure support the importance of inclusion, which they value when working in communities.

“Our method of working is to create interlinks and allow for shared activities, we want all to be involved, be and feel included. We see this in how Yalla Trappan operates, as a cooperative they include the women and make them feel involved which is valuable when working in communities.” (Fia, Company B, personal communication, May 06, 2016)

When further describing the evaluation of Yalla Trappan the companies describe the outputs of the collaboration mentioning what benefits the exchange has for their organization. The evaluation of outputs in the partnership by Company B focuses strongly on social capital rather the financial exchange when describing the exchange of the collaboration.

“We see ourselves as a neighborhood gardening inspiring the community so for us when looking at Yalla Trappan the network and associations they had in Rosengärden was valuable for us. The network helps for reaching out and working together and learning together in the community.” (Fia, Company B, personal communication, May 06, 2016)

Similar evaluation of the output could be seen at Company A;

“And it’s also to get to know the people in the area as well, with our mission we need to know the people so it’s also an entrance for us to get to know key people in the area. No one has the answer to the big challenges we have to work together. We saw that Yalla Trappan is an initiative that we would really much like to support and work together with.” (Helena, Company A, personal communication, April 25, 2016)

By engaging with Yalla Trappan Company A evaluates that the collaboration will lead to a stronger relation with different actors in the community and increase the support for the cause of developing and contributing to the vulnerable individuals. Helena at Company A further describes the evaluation as;

“We have the possibility to see how we can contribute and we don’t need to get anything back, like in terms of money, we get friends that helps us. [Yalla Trappan] know Arabic, they know lots of people who are valuable for us. Maybe we could contribute with our network and network our customers.” (Helena, Company A, personal communication, April 25, 2016)

The evaluation of Yalla Trappan from the non-profit organizations when considering the collaboration thereby signifies both the cooperative structure and the output of social capital from the partnership. Both these aspects in the evaluation is seen by both companies as supporting the societal cause of contributing to the community and its citizens.

Summary

The key themes/categories emerged from the analysis above on the non-profit actors’ interpretations of Yalla Trappan are a) coinciding values and success in the interest for collaboration, b) evaluation of structure in the collaboration, c) evaluation of outputs when entering the collaboration. The view and interest in collaborating with Yalla Trappan is characterized by an alignment of shared values to contribute to the community. With shared values, the collaborative actors from the non-profit sector see an interest in collaborating and working together to work toward the values they share. The non-profit actors further described the evaluation of the structure of Yalla Trappan when considering the collaboration. The democratic and cooperative approach is believed to empower the individuals, which create an impact on society, and further allows for inclusion, which is seen as important in working with communities. Moreover, when discussing the evaluation, the companies as a non-profit actor emphasized that the output from the collaboration was not seen in monetary or material terms but rather in social capital where the benefits of network increased their interest when evaluating Yalla Trappan.
5.2 Collective Actors from Private Sector

The collective actors representing the private sector who are collaborating with Yalla Trappan are two companies oriented in the textile and apparel industry. Company C is a customer oriented textile producer aimed at providing alternative and individualized design to the market. The collaboration with Yalla Trappan regards production of specific products where Yalla Trappan acts as a supplier to the company. The second business oriented organization is focuses on providing cultural influential textile collection to customers. Company D collaboration with Yalla Trappan is concerning the assembling of some specific collections they provide for their customers. Concerning the collaboration with Yalla Trappan both companies have a business oriented relationship based on a certain exchange.

5.2.1 Collaboration Based on Exchanged Value

When discussing the collaboration with Yalla Trappan the two collective actors from the private sector acknowledge the social value, which Yalla Trappan represents. Company D described Yalla Trappan as a best practice when working with social oriented values, which is an added benefit when working in the textile industry. However, when discussing their partnership Company C mentioned that socially values is something they see in all their collaborators and not a value only restricted to Yalla Trappan.

“We are mainly working with companies that are socially responsible in a way. I don’t think [Yalla Trappan] are more socially responsible than others. I don’t see that they are better than any other company. I just see that it’s a nice idea and it’s a nice niche that they have.” (Mark, Company C, personal communication, May 03, 2016)

The quote indicates acknowledgement of Yalla Trappans social values however, Mark at Company C emphasizes that they don’t differ much in relation to other collaborates but rather just represent a specific niche. When continuing the explanation of Yalla Trappans value and benefit for them as a collaborator Mark mentions the geographical benefits as a key source. Operating out of Malmö Company C acknowledges the benefits of Yalla Trappan being geographically closer than their regular suppliers resulting in benefits regarding flexibility regarding adapting the production to customer’s needs.

“Well it started geographically, of course it was interesting to do it in Sweden but there is a crossing line, it is up to the market place so to say. It’s more expensive then to do it in other countries, but it’s easier because they are closer to us.” (Mark, Company C, personal communication, May 03, 2016)

The evaluation of the collaboration regarding the exchanged benefits for the private actors was shared by Company D, which implied the advantage of being located closer to their headquarters. Ruth at Company D describes how the geographical location of Yalla Trappan increased their interest in collaborating and further improved Yalla Trappans advantage to other suppliers.

“I think they have an advantage because [Yalla Trappan] are close, that wages up little bit for the complication of the collaboration.” (Ruth, Company D, personal communication, May 06, 2016)

The collaboration of Yalla Trappan thereby is based on an exchange value for the private collective actor where both companies are evaluating in regards to their personal benefit for their organization. With Yalla Trappan being located closer to the private actor, it allows for direct benefits in the production process where the businesses can create a more adapting and customer oriented production.

5.2.2 Evaluation Based on the Logic of the Market

In the evaluation of Yalla Trappan and their initiatives, both private collective actors referred to the logic of the market which from their understanding concerns the price and quality of the production. When discussing the social value of Yalla Trappan both private companies argues that the main importance when operating commercially is to adapt the prices and quality. They both infer that the market strongly emphasizes price and quality over the social value of a production.
“We are a commercial company I mean most company are commercial. You can have good values, try doing the best you can, but if the market doesn’t want to pay the premium for having the social responsibility then it’s a not a good business. If people say it’s really nice but don’t want to pay the extra price for having it sewed in Sweden then we can’t do anything about it.” (Mark, Company C, personal communication, May 03, 2016)

Mark indicates that as a commercial company the market they operate within does not view social value as a premium worth the extra price. He continues that strategically arranging your company, as a premium on social value does not equal good business in the commercial sector. Furthermore, the private actor continues on describing how the social initiatives can be regarded as an added value in the market but not as a compensation for price or quality. Ruth at Company D describes it as;

“It has to be at least as good as what the other companies are doing in assembling and on top of that there can be some kind of added value with the kind of women cooperatives and things like that. But the market will not pay a big premium for that if you understand what I mean.” (Ruth, Company D, personal communication, May 06, 2016)

The quoted indicates the added value of Yalla Trappan being a woman cooperative however, Ruth emphasizes that the production still has to be aligned with the market regarding price and quality. Company C further confirms this understanding where Mark states;

“And then it can be positive that you get work for people who actually didn’t have any work before, or didn’t have any way to come into the labour market. You know all these things are positive but at the end of the day, if [Yalla Trappan] cannot sell it to the market then it doesn’t have any value. So it’s the consumer that decides. It’s always a price question for the costumers.” (Mark, Company C, personal communication, May 03, 2016)

From the interpretation of the private actors, the fundamental importance of the logic of the market does not allow for the social value to be strategically implemented as a standalone premium. Company C mentions instances in their collaboration with Yalla Trappan where the market logic would not allow for the social value to be considered as a standalone premium.

“We know it would take 3 hours and [Yalla Trappan] say no we take 10 hours that’s not possible. You can do this project and you can train yourself but the normal hours in the normal market is 3 hours. They say it is social responsibility, but our customers are not willing to be charged 10 hours if it normally takes 3 hours. You can charge a little bit more per hour because it’s good but I think the overvalue of the social responsibility is not a standalone value. It has to come with quality and reasonable prices for the market. (Mark, Company C, personal communication, May 03, 2016)

When discussing the evaluation of Yalla Trappan as a collaborator the private actors refer to the market logic as a standard which is fundamental to comply to in order to survive commercially or be considered as doing good business. Both companies describe the importance of following the markets standard of price and quality where in their interpretation, the social value of Yalla Trappan cannot be seen as a standalone premium compensating for the lack of either price or quality. The market as they see it thereby has a strong impact when evaluating Yalla Trappan.

5.2.3 Challenges and Compromises in the Collaboration

With the social value being viewed as an added value rather than a standalone value the private actors describe some challenges that exist in collaborating with Yalla Trappan. When discussing the partnership and their business relationship with Yalla Trappan the companies emphasize the lack of experience and administrative work when working on projects.

“In fact [Yalla Trappan] are nice they have very good relationship, they have a very good working progress. But we have to train them all the time, they are not project oriented. I mean if we compare to some of our other suppliers they definitely have less experience.” (Mark, Company C, personal communication, May 03, 2016)

Mark experience explains a positive relationship with Yalla Trappan but mentions the lack of being project oriented which has resulted in them having to train and teach Yalla Trappan on the process of working on business projects. In relation to some of the other suppliers that Company D are collaborating with Mark mentions that there exists a clear lack of experience in Yalla Trappan. Company C shares this interpretation of business with Yalla Trappan, where Ruth explains how they lack some of the administrative processes that they are used to with some of their other collaborators.
“Well there are some areas where [Yalla Trappan] aren’t that familiar with, like some of the administrative work compared to how we usually work. But being so close allows us to be more flexible in the way we work, we can do product development easier and things like that.” (Ruth, Company D, personal communication, May 06, 2016)

Furthermore, when discussing their understanding of Yalla Trappan in relation to their views, there existed an ambiguity towards what Yalla Trappan represented. With the emphasis on social values and with the private actors evaluating based on the market logic the companies experienced a confusion of what the actual goal is for Yalla Trappan in the market.

“But I mean it’s really hard to say if they are a company, a movement or whatever they are. It’s complicated you actually don’t know what their goal is which makes it a little bit more complicated.” (Mark, Company C, personal communication, May 03, 2016)

The private actors see the ambiguity in the interpretation of Yalla Trappan as complicating the business relation where the lack of positioning in the market by Yalla Trappan creates a strain in the collaboration. The private actors mention that they on occasions have to emphasize to Yalla Trappan on what they need to do in order to become more competitive in the market. In relation to the understanding of the market, the private companies believe that Yalla Trappan needs to compromise on some of their areas to position themselves well in the market and become more competitive.

“You don’t have to read me wrong here that I’m disappointed or anything but we have constant discussion with price. [Yalla Trappan] thought that because it is social responsibility then they can have a premium price. They can choose to do that but that means they’ll be no orders. For example, if they have unskilled workers that want to be trained the market cannot pay for that training. If it normally takes 2 hours for the assembling of the product they cannot take 10 hours to do it, you must charge 2 hours. There, they have to learn if they want to be in this kind of business environment. They have to be competitive and then on top of it they have the advantage of being social responsible, which is a good thing.” (Mark, Company C, personal communication, May 03, 2016)

The private actors clearly see some challenges in Yalla Trappan in comparison to usual business relations they had. They share the interpretation of Yalla Trappan lacking in experience regarding business ventures, furthermore there exist ambiguity in regards to what Yalla Trappan represents. The private actors thereby emphasize the importance for Yalla Trappan to adapt and compromise in order to address their challenges and become more competitive.

Summary
From the interpretation of the private actors, the key themes/categories that emerged from the analysis are a) emphasis of exchange value in the collaboration, b) evaluation based on the market when considering collaboration, c) a need for change to address challenges in the collaboration. The collective actors from the private sector both share an importance of their personal benefits in the collaboration. Both companies emphasize the exchange value that the collaboration brings to them as a company. Furthermore, the private actor refers to logic of the market when discussing the evaluation of Yalla Trappan as a collaborator. The logic of conforming to price and quality is seen as fundamental where the companies share the understanding of social value in YallaTrappan being an added value rather than a standalone value. Lastly, when discussing the challenges in the collaboration the private actors perceives that there exist a lack of experience and administrative processes in Yalla Trappan. Moreover, there exist an ambiguity regarding Yalla Trapps goals and what they represent in the market. With this interpretation of the challenges in Yalla Trappant the private actors describe an importance for Yalla Trappan to start compromising in order to become more competitive in the commercial market.

5.3 The Public Collective Actor

The two public organizations are operating on two levels within the governmental body of Sweden. Company E is active on a municipal level while Company F operates on a regional level. The part of the company included in this study is respectively, development programs in Company E and procurement and purchase in Company F. The category of development programs in Company E is
oriented towards investing in Malmö city and starting new innovative and sustainable projects that include public benefits for the social living in Malmö. Company F category of procurement and purchase has a responsibility for public contracting with different actors and are pursues a development in in how they acquire partners and how to increase the actors involved in the procurement.

5.3.1 Incentives for Collaboration

When discussing the collaboration between Yalla Trappan and the public body both Companies discussed an incentive in the political pressure of Sweden that made them reconsider their relationship and partnership with local and non-profit organizations. This understanding clearly emerged from both the public actors representing two different levels, in the public sectors. On the regional level Company F discusses the incentives that led them to increase in collaboration with small organizations and non-profit organizations such as Yalla Trappan.

“It’s a lot of different incitements, I have the politician that are eager to have smaller local and non-profit organizations in the procurments.” (Daisy, Company F, personal communication, May 04, 2016)

She further continues in the interview explaining how the pressure from the politicians evolved to the development of a new agreement, which allowed for the collaboration with such an organization as Yalla Trappan.

“And we have a special contract, the IOP (Ideburet offentligt partnerskap), with non-profit organizations, this is the start you can say on the work we have made in efforts to collaborate with non-profit organizations.” (Daisy, Company F, personal communication, May 04, 2016)

With the agreement allowing for more collaboration with non-profit organizations Daisy at Company F interpret Yalla Trappan as pertaining to a non-profit organization. This interpretation was further implied when discussing which companies that were involved in the catering procurement which Yalla Trappan tendered.

“No, it was only Yalla Trappan that was a non-profit but the other companies were small, micro business so the one that got the fika procurement was a local micro business.” (Daisy, Company F, personal communication, May 04, 2016)

When referring to the collaboration with Yalla Trappan and the procurement process as deriving from IOP, Daisy from Company F elaborates on the political incentives behind why to develop the procurement in her region and allow for collaboration with such organizations as Yalla Trappan.

“The IOP is a partnership relationship between the public and non-profit sector to support a business that manages any form of societal challenge. Our public procurement has strategies to collaborate with NGO and micro size businesses because we would like to have diversity in terms of solution and suppliers. Micro businesses and also NGO often have new solutions that regular companies often can’t provide, that support societal development.” (Daisy, Company F, personal communication, May 04, 2016)

The development in procurements in Company F thereby boils down to the factor of strengthening the collaboration between the public sector and the third sector such as Yalla Trappan, because they believe they are representing societal change and bringing new solutions to support the societal welfare. The third sector is further seen as bringing new solutions that should be supported by the public sector. This interpretation is further confirmed by Company E, which operates on the municipal level, when Tom explains the increased interest Yalla Trappan and other organizations like them. In mentioning the interest in the collaboration for them Company E shows an interpretation of third sector organizations as containing new solutions and specialized understanding in how to address social challenges which the public sector share and contribute to the social welfare.

“This is the problem for us, there are a lot of NGOs in Sweden working with different values in regards to social sustainability, urban development and employment. But they often live one year at a time, after one year they have to apply for new funds from example EU or other grants, this is a problem for NGOs. And in the city’s development we often address the same societal challenges in our projects we establish and are putting the tax money in. We think that it is time to why not find NGOs that are very good in these development areas and invest in them to achieve social
success. This can create more specialized projects and new solutions on a local level.” (Tom, Company E, personal communication, May 3, 2016)

Company F further continues on this interpretation and mentions what Yalla Trappan specifically represents for them on the municipal level

“Yalla Trappan is a concept that, in Rosengård, is focusing on women in sewing, catering and cleaning but the success of the concept has a broader meaning than only women, for us in the city it has a meaning of how the concept can help create opportunities for people far from employment in local areas around Malmö.” (Tom, Company E, personal communication, May 3, 2016)

In explaining Yalla Trappan Company F refers to the organization as a representation of how third sector organizations hold new solutions for addressing societal challenges, where in the case of Yalla Trappan the employment issues are addressed in innovative ways. The interpretation of Yalla Trappan from the public actor on the municipal level is thereby characterized by a new innovative concept that can help support challenges related to employment in Malmö. The collaboration is thereby described as important by Company F to support these initiatives and inspire more contributions to societal welfare.

“I think Yalla Trappan can be seen as a role model to start to further develop areas throughout Malmö in the issues of employment for people far from the job market. The collaboration can contribute to an understanding of how to apply new ways to contribute to social sustainability in Malmö.” (Tom, Company E, personal communication, May 3, 2016)

The incentives to thereby increase the collaboration with Yalla Trappan and other third sector organizations has in the public sector, a pressure from the political pressure that enforces the companies both on the regional and municipal level to support them. The third sector organizations supporting and bringing new solutions that support the societal welfare thereby are prioritized in the recruitment of new collaborators. In the interpretation of Yalla Trappan both companies have a clear view of them representing the third sector as either a non-profit organization or a NGO which increases the development and interest to create collaboration. Furthermore, with the fundamental contribution to societal welfare that Yalla Trappan represents as a third sector organization thereby increases the interest in collaborating with them.

5.3.2 Change and Challenges in Collaboration

With an incentive described above, to collaborate with third sector organizations the public actors from the public sector mentioned the change that has to be done to involve and support the collaboration.

“We have to have more courage, and change our mindset. Before we were more about what’s in it for us, and now we have to open our mind to see what’s the obstacle for them and how do they perceive our procurement documents rather than just thinking about what’s in it for us.” (Daisy, Company F, personal communication, May 04, 2016)

In the quote above Company E indicates a change in mindset where the focus shifts to the interest of Yalla Trappan and other companies from the third sector rather than only concerning about the exchange value for them. In following this new mindset, the public actor identified specific challenges in Yalla Trappan and other third sector organizations.

“We look into the non-profit organizations and we ask ourselves what’s the problem then we could see that there’s a lack of experience in tendering and they have a lack in administrative support. Because if you look at regular companies they often have management for tendering which non-profit don’t have. Then there is a lack of capacity, that could be the lack of amount for the non-profit or that they are only specialized in one service when we require several. And then they have a lack of capital to be more professionalized.” (Daisy, Company F, personal communication, May 04, 2016)

With these challenges identified from the public actors mentions the importance of changing the process for collaboration by developing the procurement. Company E addresses how they changed the procurement to obtain collaboration with Yalla Trappan and allow them to partake in the tendering process. To adapt to the challenges that Yalla Trappan and other third sector organizations faces the
procurement process was divided in services to address the challenge of capacity and further simplified to address the lack of administrative support and management. Daisy from Company E describes the procurement process as;

“So for the procurement where Yalla Trappan was involved we split the procurement to two services, to both fika and lunch and we also simplified the documents if it is normal 30-40 pages it was instead 4-5 pages.” (Daisy, Company F, personal communication, May 04, 2016)

The development allowed for Yalla Trappan and other third sector organizations to get involved in the procurement process even with their limitations and challenges. Company E explains how the change in the procurement enabled Yalla Trappan to tender which they previously have not been able to do because of their limitations.

“And in the case of Yalla Trappan they have never tendered before and they say that they will never tender afterwards because they don’t see any simplified and adaptable procurements documents like we had.” (Daisy, Company F, personal communication, May 04, 2016)

The importance of supporting Yalla Trappan and other third sector organizations thereby results in a change and development of procurement and collaborations with these specific actors. The public sector values Yalla Trappan and thereby tries to understand their situation and challenges to adapt and integrate them in the procurement process and thereby support them.

Summary

The key themes/categories that emerged from the collective actors in the public sector, interpretation of Yalla Trappan are a) incentive from the political pressure when considering collaboration b) evaluation based on impact on societal welfare when considering collaboration, c) adapting to market and organizational challenges. When discussing the collaboration, the public actors refer to the collaboration with Yalla Trappan as stemming from a political initiative to integrate stronger collaborations with the third sector to support alternative ways to improve the societal welfare. The collective actors thereby describe the initiatives in Yalla Trappan that support societal challenges regarding employment as source when considering the collaboration. Furthermore, the actors in the public sector emphasize the importance of having to develop and adapt certain procedures in collaboration efforts when it comes to integrating the third sector. This due to the market and organizational challenges third sector organizations encompass which often hinders them from creating business collaborations.
6. Analysis

Based on our pre-understanding this chapter contains the analysis of the presented data where we use existing theories and previous research on legitimacy and social enterprises to further conceptualize our findings.

6.1 Legitimacy of Yalla Trappan

In the section above, a number of different forms of legitimacy generated from the collective actors’ interpretations can be identified. It has emerged that the different collective actors representing diverse economic sectors have both differences and similarities in their interpretation on Yalla Trappan. Furthermore, it is clear in the empirical data that there are contradictions in the collective actors understanding of Yalla Trappan giving way for tensions regarding the institutional logics. From the analysis of the empirical data the legitimacy that could be identified in the actors’ interpretations are pragmatic legitimacy, moral legitimacy and cognitive legitimacy (see Table 5 below), each legitimacy differing depending on what economic sector the collective actors operated within.

Table 5: Identified legitimacy

<table>
<thead>
<tr>
<th>Pragmatic legitimacy</th>
<th>Moral legitimacy</th>
<th>Cognitive legitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange legitimacy</td>
<td>Consequential legitimacy</td>
<td>Market logic</td>
</tr>
<tr>
<td>Dispositional legitimacy</td>
<td>Procedural legitimacy</td>
<td>Political pressure</td>
</tr>
<tr>
<td></td>
<td>Structural legitimacy</td>
<td></td>
</tr>
</tbody>
</table>

Based on which economic sector the collective actors operate in, the legitimacy changes adapting more firmly to either the commercial- or social institutional logic. This discussion will now be developed taking a closer look at the legitimacy that emerged from the collective actors understanding and interpretation of Yalla Trappan. An overview of the legitimacy manifested from the different collective actors and its relation to the institutional logics can be seen in Table 6 below.

Table 6: Summary of legitimacy from collective actors

<table>
<thead>
<tr>
<th>General legitimacy</th>
<th>Specified legitimacy</th>
<th>Collective actors</th>
<th>Institutional logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pragmatic legitimacy</td>
<td>Exchange legitimacy</td>
<td>Private actors</td>
<td>Commercial institutional logic</td>
</tr>
<tr>
<td></td>
<td>Dispositional legitimacy</td>
<td>Non-profit actors</td>
<td>Social institutional logic</td>
</tr>
<tr>
<td>Moral legitimacy</td>
<td>Consequential legitimacy</td>
<td>Non-profit actors</td>
<td>Social institutional logic</td>
</tr>
<tr>
<td></td>
<td>Procedural legitimacy</td>
<td>Public actors</td>
<td>Social institutional logic</td>
</tr>
<tr>
<td></td>
<td>Structural legitimacy</td>
<td>Non-profit actors</td>
<td>Social institutional logic</td>
</tr>
<tr>
<td>Cognitive legitimacy</td>
<td>Market logic</td>
<td>Private actors</td>
<td>Commercial institutional logic</td>
</tr>
<tr>
<td></td>
<td>Social welfare system</td>
<td>Public actors</td>
<td>Social institutional logic</td>
</tr>
</tbody>
</table>

6.1.1 Pragmatic Legitimacy

In interpreting the data two types of pragmatic legitimacy can be identified as prominent in the collective actors’ interpretations, exchange legitimacy and dispositional legitimacy. The pragmatic legitimacy is described from Suchman’s (1995) understanding as the self-interest calculation of the organizations most prominent stakeholder groups. In its most pure form the pragmatic legitimacy, boils down to exchange legitimacy, which entails the support of an organization, based on the expected value to a particular set of constituents. From this understanding of exchange legitimacy, the data manifest certain economic sectors valuing the exchange when considering the collaboration with Yalla Trappan. In interpreting the data, the collective actors from the private sector and the non-profit
sector shows an emphasis on the exchange value when considering the collaboration with Yalla Trappan. However, the exchange value of the two economic sectors differs in what the different companies expect in return for the collaboration with Yalla Trappan. The two companies from the private sector specifically describe the exchange value of collaborating with Yalla Trappan as being connected to the geographical location. With the location being much closer as both Company C and D mentions, they are allowed to be more flexible and customer oriented to their clients, which allow for stronger business (customer relations). When describing the exchange value for the collective actors in the non-profit sector, both Company A and B referred to the social capital as a valued asset in the collaboration with Yalla Trappan. The added value of social capital is believed by the non-profit actors to help increase the procedure towards their values of contributing to social challenges. The actors from both opposing economic sector can thereby be seen as sharing legitimacy based on exchange value with Yalla Trappan however, differing in that the private actors prioritize commercial exchange while the non-profit actors prioritize social exchange.

The dispositional legitimacy, by definition, concerns the support not based on the belief that it provides specific favorable exchange but rather due to the good attributes, they are believed to impose such as values and decency (Suchman, 1995). Interpreting the empirical data collective actors from the non-profit sector can clearly be identified as manifesting a legitimacy based on a dispositional legitimacy. When discussing the collaboration with Yalla Trappan it emerged clearly that both companies in the non-profit sector prioritized the shared values of contributing to vulnerable individuals in the community and participating in the neighborhoods good and bad as Company B mentions. The non-profit further reinforces the dispositional legitimacy when mentioning how Yalla Trappan inspired them with their social value which both companies share. Aligned with the description of dispositional legitimacy as personifying organizations and treating them as autonomous, coherent and morally responsible actors with goals, the non-profit actors in their interpretation, clearly perceives Yalla Trappan as an autonomous actor with strong social goals. These social goals are seen through the non-profit actors as reinforcing trust in Yalla Trappan and strengthening their interest in collaborating and collaborating towards creating social value.

The pragmatic legitimacy can through the interpretation of the data, be seen as manifesting both exchange- and dispositional legitimacy where actors predominantly from both the non-profit and private sector perceive a pragmatic legitimacy. In regards to the exchange legitimacy both the opposing sectors of non-profit and private evaluates the collaboration based on exchange value however, the emphasis of the value differs. The private exchange value is seen as more commercially driven while the non-profit is seen as more socially driven. The exchange asset thereby differs between valuing flexibility and customer relation due to close location and valuing social capital too collectively address social issues. Furthermore, the pragmatic legitimacy can be seen as manifested in the non-profit actors as dispositional legitimacy where the coinciding values is seen as an essential asset when evaluating the collaboration with Yalla Trappan.

6.1.2 Moral Legitimacy

The moral legitimacy is described as accorded to an organization when it reflects socially acceptable norm, values and standards. Rather than judging the organization based on the personal benefits, the moral legitimacy approves to an organization based on social correctness and desirability. In interpreting the empirical data, specific themes emerged in collective actors from two specific economic sectors, which align with the moral legitimacy. The collective actors in both non-profit sector and public sector manifested moral legitimacy in the form of consequential legitimacy, procedural legitimacy and structural legitimacy. The consequential legitimacy is described by Schuman (1995) as attaining to the judgment of output and consequences, this relates to the organizational accomplishments as evaluated on the criteria and output measures for the specific organization. Based on this understanding one of the emerging themes from the non-profit actors was the evaluation of success in Yalla Trappan when considering the collaboration. Both Company A and B described how the success of Yalla Trappan created interest in collaborating. When interpreting the success at Yalla Trappan the non-profit actors defined it as creating social network for women in
Rosengård and further as allowing to create job opportunity for women segregated from the employment market. In the interpretation of success factors in Yalla Trappan the non-profit actors specifically refer to their social achievements where Company B emphasizes the creation of 30 employment opportunities for women in an area where there aren’t many employment opportunities. The evaluation of Yalla Trappans success from the non-profit actors can thereby be seen as manifesting a consequential legitimacy where the outputs are defined as employment opportunities for women in Rosengården.

The procedural legitimacy can be seen as emerging from the themes of the collective actors from the public sector. The procedural legitimacy entails the evaluation of techniques and procedures where the organization can gain support through embracing socially accepted processes that may serve to achieve valued, albeit unmeasurable, outcomes. The judgment can thereby be described as whether the constituents believe that the organizations activities and procedures promotes social welfare as defined by the audiences socially constructed value system (Schuman, 1995). In the public actors’ interpretations of Yalla Trappan their activities are described as representing social change and bringing new solutions to support social welfare. Both Company E and F mentions an interest in collaborating and supporting Yalla Trappan based on their procedures bringing new and specialized ways of contributing to social challenges based on the public actors value system. The interpretation from the public actors thereby manifest a belief that Yalla Trappan practices may serve to demonstrate that they are making good faith efforts to achieve valued, albeit invisible, ends that are supporting the social welfare. Based on this understanding the public actors are seen as evaluating based on techniques and procedures reinforcing a procedural legitimacy.

Lastly, in the moral legitimacy, the structural legitimacy could be identified in the emerging themes from the data, where the non-profit actors’ interpretations signified an importance of Yalla Trappan having a cooperative structure. The structural legitimacy is described as constituents’ perceptions of the organization as valued because of the structural characteristics, which place it within a category of recognized as “right” for the values and goals (Schuman, 1995). In the empirical data the theme, evaluation of structure when considering the collaboration emerged from the non-profit actors. Interpreting the data both companies mention the democratic structure of Yalla Trappan as add value and allowing for the empowerment for the women in the organization. The structure in Yalla Trappan is interpreted by Company A and B as supporting the value and goal of inclusion which is considered when collaborating. The evaluation of the structure of Yalla Trappan as reinforcing empowerment and contribute to their value and goals manifest a structural legitimacy towards Yalla Trappan.

The moral legitimacy can thus through the interpretation of the empirical data, be seen as manifesting three legimiticities, consequential-, procedural- and structural legitimacy, all deriving from the interpretation of the collective actors representing the non-profit and public sector.

6.1.3 Cognitive Legitimacy

Cognitive legitimacy represents the evaluation based on taken for-granted assumptions on how things should be done. It explains legitimacy granted on whether the organization's comprehensive behavior produces acceptable and meaningful results. The activities in the organization should thereby coincide with the assumptions about the nature and structure of social activities (Dant, 2004). Based on the emerging themes in the data there were collective actors from two economic sectors evaluated Yalla Trappan based on a cognitive legitimacy. The private actors and public actors both evaluated the collaboration based on taken-for-granted assumptions of the nature of how activities should be done. However, the assumptions from the two sectors varied. In the private actors’ evaluations of Yalla Trappan they referred to the market and mentioned that the standard for collaboration is based in price and quality rather than the social value. Based on the interpretation from both companies in the private sector the social value of Yalla Trappan was not valid as a standalone value because of the markets logic, the value had to rather come from price or quality. This logic can be seen as related to Porter's (1980) generic strategies where organizations are described as strategically achieving competitiveness by conforming to cost leadership, differentiation or focus. The generic strategies presented by Porter.
emphasize the interaction between cost minimization strategies, product differentiation strategies, and market focus. By not converting to these strategies, the organization faces the risk of wasting their resources. The evaluation of Yalla Trappan from the private actors is thereby based on the market logic, which describes the competitiveness as being derived from the generic strategies, Yalla Trappans social value is thus not interpreted as a standalone competitive advantage.

When further referring to the market the private actors mentioned the challenges of Yalla Trappan and what improvements and compromises they have to do in order to survive in the commercial market. Based on the assumptions of how business relations should be in the market the private actors interpreted that Yalla Trappan lack in experience of project oriented work and administrative management when it comes to business relations. Moreover, when it comes to the positioning in the market the private actors further interpreted Yalla Trappan as ambiguous in relation to what their goals are and where they want to position themselves in the commercial market. The dualistic view in Yalla Trappan based on both social and commercial logic, thereby created a confusion related to the assumptions based on the market logic in the private actors’ interpretations. They thereby urged Yalla Trappan to compromise and change in order to become more competitive in the market.

The evaluation of Yalla Trappan based on the logic of the market was further seen in the public actors where they emphasized the lack of experience and administrative knowledge in Yalla Trappan when it comes to business relations and tendering. In relation to the regular companies the public actors perceive Yalla Trappan as lacking the knowledge and management on how tendering should be done in the market. The private and public actors can thereby be seen as evaluating Yalla Trappans based on a taken for granted assumptions based on the logic of the market, which result in them identifying challenges in Yalla Trappan. When mentioning the challenges in Yalla Trappan related to the logic of the market the public sector mentions the compromises they have done to their procurement process to support Yalla Trappan and other third sector organization. The compromises and change that the public actors are describing differs from what the private actors are doing which is urging Yalla Trappan to compromise and change. When describing the incentive to compromise to support Yalla Trappan the public actors refer to the political pressure of Sweden as reinforcing them to invest in third sector organization such as Yalla Trappan. The collaboration with Yalla Trappan is thereby centered on a taken-for-granted assumption that is derived from a political pressure centered on an emphasis to support social welfare. This can be related to the understanding of the institutional setting which can be described as the social system which confines the actors in the social environment and give impact to the interactions and sense making within the social system (Barley, 2011; Dowling & Pfeffer, 1975). The institutional setting of Sweden, which incentivizes the public actors, can be seen as embodying a strong welfare state ideology. The Swedish welfare system is described as once developed to create a society based on social equality and universal rights. The development of a social system where the governing state plays a key role in such properties as child day care, primary and secondary schools, health care, and care of the elderly has laid way for reforms to strengthen the social well-being of its citizens (Burström, 2015). In accordance with Larsson et al. (2012) the Swedish nations composes on a narrative of the “Swedish model” or “Nordic model”, in which Sweden is described as representing modernism and the progress for social, political and economic equality. Based on this understanding the political pressure that the public actors refer to when evaluating the collaboration with Yalla Trappan, can be seen as representing the institutional setting of Sweden based on a welfare ideology.

The comprehensive behavior of Yalla Trappan is thereby seen as valued and aligned with the political pressure of welfare ideology that is incentivizing the public sector to compromise and support them. The cognitive legitimacy can thereby be seen as manifested in both the private and public actors where both share the assumptions of the market when evaluating but where the public sector further is incentivized by the political pressure when evaluating the support for Yalla Trappan.
6.2 Institutional Tensions between the Non-Profit and Private Actors in Yalla Trappan

Based on the interpretation of the data and the identification of the legitimacy in Yalla Trappan the difference in legitimacy from the economic sectors can be seen as manifesting a tension in the social enterprise. The tension between the different sectors manifests the conflicting demands of the two institutional logics. In their legitimacy towards Yalla Trappan the actors from the non-profit and private sector seem to manifest a tension close to what Battilana et al. (2015) mentions when discussing the occurrence of tension in social enterprises when serving different constituents. In the case of Yalla Trappan the collective actors representing different economic sectors interprets different legitimacy related to different institutional logics. In the non-profits interpretation the legitimacy in Yalla Trappan clearly related to a social institutional logic both in regards to the pragmatic- and moral legitimacy. The legitimacy from the non-profit actors signifies a value of improving the welfare of society, specifically related to integration of women. Differing in its logic the private sector interprets the legitimacy relating to both pragmatic- and cognitive legitimacy, where they emphasize such aspects as profit, efficiency, and operational effectiveness, which clearly manifest a commercial logic. From an understanding of tension according related to Smith et al. (2015) three specific tensions can be identified in the different legitimacy from the non-profit and private actors, performing tensions, organizing tensions and belonging tensions (see Table 7 below).

<table>
<thead>
<tr>
<th>Tension</th>
<th>Non-profit actors perception</th>
<th>Private actors perception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performing Tensions</td>
<td>Definition of success in the non-profit sector is emphasizing the non-financial values (social capital). Beneficiaries focused when evaluating.</td>
<td>The value in collaborating is defined as increasing the organization’s self-interest and oriented in providing flexible production for their clients. Customer focused in the evaluation.</td>
</tr>
<tr>
<td>Organizing Tensions</td>
<td>Emphasizes a value in maintaining the current organizational differentiation with a focus on social mission.</td>
<td>Emphasizes change where there needs to be an organizational differentiation which more position them towards the business venture to survive.</td>
</tr>
<tr>
<td>Belonging Tensions</td>
<td>Key stakeholders representing the non-profit sector clearly identify with the social mission.</td>
<td>Key stakeholders from the private sector predominantly identify with the business venture.</td>
</tr>
</tbody>
</table>

The performing tension signifies the emergence of tension from diverging outcomes, such as goals and success (Smith et al., 2015). Based on this understanding the legitimacy identified from the collective actors manifest a clear divergence in interpretation of outcomes and success in Yalla Trappan. Both the non-profit and private actors interpret a pragmatic legitimacy oriented in exchange, however the institutional logic in which the exchange value is oriented differs. The non-profit actors interpret the outcome of collaborating with Yalla Trappan, as oriented in nonfinancial values such as social capital where the collaboration contributes to stronger social network to thereby contribute to the social challenges. This interpretation of outcome and success in the collaboration clearly emphasizes a stronger orientation on social value rather than profit, which strongly associate more with a social institutional logic. The private actors however describe the exchange value in collaborating as oriented in providing flexibility and stronger customer focus in the production process due to the geographical advantages of Yalla Trappan. The outcome of the collaboration from the private actors thereby emphasizes such aspects as efficiency, and operational effectiveness, which strongly relates more to a commercial institutional logic. The organizing tension emphasizes the tension that emerges from divergent internal dynamics, such as structure, practices and procedures. This tension deals with the assessment of how social enterprises in processes and practices differentiate in integrating the social mission or business venture (Smith et al., 2015). Relating the interpretation from the non-profit and private actors to the understanding of organizing tension the difference in the perception of how Yalla Trappan internally should differentiate manifested a tension. The non-profit actors’ interpretations related to a moral legitimacy where the current internal dynamics were perceived as empowering the social value of integrating women. Furthermore, the differentiation for Yalla Trappan as a cooperative,
focused on a social mission was emphasized as a value in the interpretation of the non-profit actors manifesting an orientation in the social institutional logic. In contrast, the private actors displayed a cognitive legitimacy in evaluating Yalla Trappan where the current internal dynamics were seen as a challenge in relation to how business is usually done in the market. The structure practices and processes were thereby perceived as lacking where the private actors emphasized a change where the differentiation is more positioned to business ventures. This interpretation and evaluation from the private actor clearly manifest a position in the commercial institutional logic where the emphasis is efficiency and operational effectiveness. Lastly, the belonging tension concerns the emergence of tension through diverging identities in subgroups. The tension is associated with stakeholder’s alignment with the identity of the social enterprise (Smith et al., 2015). Based on the legitimacy from the non-profit and private actors there exists a clear divergence in the identification with Yalla Trappan. While the non-profit actors’ pragmatic- and moral legitimacy both identify with the social mission of Yalla Trappan the private actors’ pragmatic- and cognitive legitimacy identify with the business venture of Yalla Trappan. The collective actors operating within the different economic sectors thereby identify with Yalla Trappan based on different institutional logics and thereby manifesting a belonging tension.

Based on Smith et al. (2015) understanding of tensions in social enterprises our findings suggest that three tensions, performing-, organizing- and belonging tensions are manifested in the diverging legitimacy interpreted by the non-profit and private actors. The tension manifested related to opposing institutional logics in the actors’ perceptions and evaluations creating conflicting interpretations and demands on Yalla Trappan.

6.3 Public Actors Impact on the Institutional Balance of Yalla Trappan

With a tensions existing between the two opposing institutional logics manifested through the perceptions of the non-profit and private actors, the juxtaposition can be seen as positioning Yalla Trappan at the middle, balancing both logics. However, in the positioning, the perception and legitimacy interpreted from the public actors have a significant role on the tensions and thereby on the balancing of the institutional logics. With a political pressure influencing the interpretation of Yalla Trappan and thereby the collaboration, the balance in Yalla Trappan shifts. The legitimacy of Yalla Trappan from the public actors represents an orientation towards a moral- and cognitive legitimacy with a stronger relation to the social institutional logic, which aligns more with the non-profit actors. The moral legitimacy from the public actors emphasizes the value in Yalla Trappans activities and procedures as they are interpreted as contributing to the social welfare. Furthermore, with a cognitive legitimacy from the public actors based both on the market and social welfare system the challenges business and administratively, are still acknowledged from the public actor. However, with a cognitive legitimacy also based on a political pressure derived in a social welfare ideology, the public actors both values the social contribution of Yalla Trappan and further are encouraged politically to support them. With this legitimacy the collaborations with Yalla Trappan thereby changes where the public actors create compromises in the business relation because of the political pressure. The public sector thereby does not force Yalla Trappan to adapt to the market as the commercial actors suggest but rather adapt their procurement process and the collaboration in order to increase partnerships. This can thus be seen as reinforces the legitimacy more oriented towards the social institutional logic, which alters the tension in Yalla Trappan and creates an interpretation of Yalla Trappan where they are positioned more towards social welfare rather than the market.

The figure below (Figure 5) illustrated the dynamic from the collective actors’ perceptions towards Yalla Trappan. With a current perception of Yalla Trappan being oriented in a social mission rather than a business venture the collective actors interprets different legitimacy depending on their economic sector and what institutional logic they adhere to. This creates different pressures on Yalla Trappan from the various collective actors where they either, urge change or rather support them. From the legitimacy identified in each economic sector the collective actors in the sectors can be seen as influenced by the institutional logics in how they both value and evaluate Yalla Trappan.
In the figure below (Figure 6) an illustration is made of the dynamic of the collective actors, representing the three economic sectors and how their logics position Yalla Trappan. In identifying the legitimacy from the non-profit actors as done above, the value clearly draws from a social institutional logic where an emphasis is put on philanthropy and contributing to social welfare. This orientation in the non-profit actors’ perceptions creates an understanding of Yalla Trappan as representing a social mission of contributing to the social welfare and oriented on the beneficiaries. With this interpretation, the non-profit actors value the position of Yalla Trappan more towards their ideology of philanthropy and contributing to social welfare. The private sector however, bases their value and evaluation on the commercial logic where the market is seen as influencing their perception. With their position in the commercial logic and with an understanding based on the “rules” of the market the private actors interpret Yalla Trappan as ambiguous and more as a movement rather than a commercial organization. With the logic of the market as a framework, the private actors rather perceive Yalla Trappan as facing certain administrative challenges where they are encouraged to change in order to survive in the market. This creates the tension described above, where Yalla Trappan is positioned in juxtaposition between the two institutional logics. However, with the actors from the public sector having a political pressure based on the social welfare system they thus value and evaluate Yalla Trappan based more on a social logic. This results in that the public actors make compromises in their business relation with Yalla Trappan to support them because their emphasis on a social mission is seen as valuable in the perspective of the social welfare ideology. The challenges in Yalla Trappan based on the logic of the market, are thus overlooked by the public actors where they rather see the social value in Yalla Trappan, of contributing to the social welfare. Rather than being positioned in the intersection between the economic sectors the perception from the public actors based on the social welfare system, hence reinforces Yalla Trappan to support them as oriented in a social mission shared with the non-profit actors, which positions Yalla Trappan more towards the non-profit actors and public actors, valuing philanthropy and contribution to social welfare. 

![Figure 6: Dynamic of public actors’ impact on the positioning](image)

Based on this dynamic the positioning of Yalla Trappan constructed on the collective actors’ legitimacy, can be seen as boiling down to the social welfare system and its impact on specifically the public actors. Our findings thus suggest that the social welfare system has an impact on the positioning of the social enterprise. Manifested in our case study the social welfare system is seen as having a large impact on positioning and the perception of Yalla Trappans. Figure 7 below illustrate the dynamics between the social welfare system and the social enterprise where we in relation to our findings, have created four dynamics. Depending on the size of the social welfare system in the institutional setting the perception of social enterprises changes. The four dynamics is presented as, big social welfare system can either influence the perception where the social enterprise is interpreted as more social (S/e) or more as an enterprise (s/E). The last two dynamics concern small social welfare
system, where the influence on the perception of a social enterprise is similar (S/e, s/E). Based on our case of Yalla Trappan and the legitimacy and tension identified from the collective actors the first dynamic is seen manifested where a big social welfare system creates an influence of the perception of Yalla Trappan thus positioning them as more oriented as social then an enterprise (S/e).

Based on our case of Yalla Trappan and the legitimacy and tension identified from the collective actors the first dynamic is seen manifested where a big social welfare system creates an influence of the perception of Yalla Trappan thus positioning them as more oriented as social then an enterprise (S/e).

6.4 Discussion

From our analysis of the case, the findings suggest that the legitimacy from the public actors change the existing tension between the institutional logics manifested by the non-profit and private actors’, thus positioning Yalla Trappan more to the social institutional logic. The figure below (Figure 8) illustrate the balance of Yalla Trappan, rather than being positioned in the intersection between the two logics, which previous research suggests (Doherty et al., 2014; Haigh & Hoffman, 2014;2012), our findings suggest that in the case of Yalla Trappan, their collective actors’ legitimacy position them firmly oriented in the social logic. With only having a commercial pressure from the private actors our findings suggest a lack of urgency to change and position oneself more towards the commercial logic. Both the non-profit and public actor legitimacy can thus be seen as insuring the orientation in social mission in Yalla Trappan, positioning them in the social logic and thereby distancing them from the commercial logic, reinforcing confusion in the private actors’ perceptions of Yalla Trappan.

This sloped balance towards the social logic further diverges from previous research on the balancing of tensions in social enterprises where Battilana et al., 2015; Smith et al., 2013 argue that the occurrence of tension in social enterprises due to the serving of different constituents and institutional logics, often results in a positioning more towards business ventures. Social enterprises are described as consequently drifting away from the social institutional logic and more towards the commercial institutional logic in search of increasing the revenue (Battilana et al., 2015; Smith et al., 2013). Based
on our findings, the tension between the logics are manifested in the non-profit and collective actors’ interpretations however, due to the impact of the social welfare system the public actors, reinforces the social logic based on a social welfare ideology. This creates dynamic where Yalla Trappan becomes positioned more towards the social institutional logic.

Our findings on the positioning related to the dualistic logics can further be advanced using Tolbert and Hall (2009, p. 139) open system view on organizations. From this view, the positioning towards the social logic can be seen as influenced by two paradigms, resource dependency- and institutional paradigm. With the influence of the social welfare system on the public actors’ legitimacy, the positioning of Yalla Trappan can be seen as dictated by an institutional paradigm, which signifies that the institutional environment and normative forces shapes practices (Tolbert & Hall, 2009, p.163). The social welfare system can thereby be seen as influencing the public actors and thus create practices supporting Yalla Trappan as a social oriented enterprise. From the impact of the institutional paradigm on the public actors, a dynamic is created where Yalla Trappan can be seen as influenced by the resource dependency paradigm, which describes the emphasis on ensuring access to stable flow of resources and seeking to maximize ones autonomy (Tolbert & Hall, 2009, p.163). With the institutional paradigm influencing the public actors to increase the support and partnerships with third sector organizations, such as Yalla Trappan, because of their social value, the social status of the social enterprise becomes enforced. This dynamic can be seen as influencing Yalla Trappan where their interest to maintain resources by continuing having contracts with the public sector forces them to continue the orientation in a asocial mission. The urgency to shift to the commercial logics demand based on obtaining resources thus lacks where they in the pursuit for resources, are incentivized to more intensively pursue social activities rather than business ventures and the market demands.

With the reinforcement of the social activities and the disregard for the markets demand, the positioning of Yalla Trappan can be seen as organizationally unsustainable. From Freemans (2010) understanding of organizational sustainability the bottom line of economic responsibility is extended to a double bottom line, adding a social responsibility aspect. From this understanding, the idea of balancing the two values of adhering to financial growth and upholding social responsibility can help the organization to sustain in the long term (Freeman 2010). Based on the positioning of Yalla Trappan, which implies a distancing, and disregard of the market demands we argue for a deficit in the economic value. With the dynamic and the influence of the public actors, which forces Yalla Trappan to maintain its orientation in the social mission and thus disregard the demands of the market from the private actors creates a limitation in the pursuit of obtaining new resources. Rather than pursuing and adhering to both the economic and social values to help create long-term sustainability, our findings suggest that the current dynamic influenced strongly by the public actors, emphasizes Yalla Trappans social orientation. This hinders them to continue evolving, entering, and operating in the market to adhere to the economic value of pursuing new resources and thus growth. Relating back to their statement “Social benefits is the purpose, economic profit is the means.” (Yallatrappan.se, 2016), the impact of the public actors can be seen as creating a dynamic, which makes it challenging for Yalla Trappan to adhere to both their purpose and means.
6. Conclusion

The purpose of this study was to interpret the legitimacy of a social enterprise viewed from an institutional perspective and further explain the complexity embedded in social enterprises and its implication on the evaluation and positioning of the social enterprise. This has been done by (1) conducting a case based research on Yalla Trappan (2) looking at the interpretation from the collective actors. By fulfilling this purpose, we have complemented contemporary research on understanding the legitimacy in social enterprises and its implications.

In conducting the case analysis nine themes, from the collective actors’ interpretations of Yalla Trappan, emerged in the empirical data: coinciding values, evaluation of structure, evaluation of output, exchange values, evaluation based on market, a need for change, incentives from the political body, evaluation based on impact on societal welfare, adapting to market and organizational challenges. For the collective actors in the non-profit sector the three emerging themes, coinciding values, evaluation of structure, and evaluation of output, manifested a pragmatic- and moral legitimacy. The pragmatic legitimacy regards the evaluation of output where the non-profit actors interpreted the collaboration as gaining social network, which was perceived as valuable to better contribute socially to the community. The moral legitimacy identified from the non-profit actors relate to the coinciding values, and evaluation of structure, where the actors took interest to Yalla Trappans because their social values corresponded with their social mission of contributing to the community and its citizens. Moreover, the cooperative structure of Yalla Trappan was perceived as empowering and enabling to integrate the beneficiaries, which further increased the interest to collaborate. From the private actors three themes emerged, exchange values, evaluation based on market, and a need for change, which manifested a pragmatic- and cognitive legitimacy. The pragmatic legitimacy was identified in the exchange value where the private actors evaluated the collaboration based in their self-interest. In their interpretation, the private actors mentioned the geographic location of Yalla Trappan as increasing flexibility and operational effectiveness. The cognitive legitimacy pertains to evaluation based on market, and a need for change, where the private actors use the markets taken-for-granted “rules” when evaluating the collaboration with Yalla Trappan. Based on the “rules” of the market the private actors interpret Yalla Trappan as ambiguous and obtaining administrative and business challenges where they urge for a change. For the public actors the emerging themes, incentives from the political body, evaluation based on impact on societal welfare, and adapting to market and organizational challenges, a moral- and cognitive legitimacy was manifested. The moral legitimacy regards the evaluation of the activities where the public actors interpret Yalla Trappans procedures as contributing to the societal welfare, which increases the interest to collaborate. The cognitive legitimacy concern both the “rules” of the market and the social welfare system where the public actors based on the market interpret Yalla Trappan as entailing business challenges. However, with the pressure from the social welfare system the public actors perceive Yalla Trappan as valuable because of their contribution to social welfare. This increases the interest of collaborating where the public sector compromises in their business relation to Yalla Trappan, changing certain requirements to adjust to their challenges and support their mission.

By identifying the legitimacy from the collective actors representing the three sectors, our findings suggest a tension in the actors’ legitimacy between a social- and commercial logic. The tension is manifested between the non-profit and private actors’ legitimacy where three tensions are visible, performing-, organizing-, and belonging tensions. The performing tension concerns the separate logics when defining the success from collaborating with Yalla Trappan. While the non-profit values the social network and evaluates based in the beneficiaries the private actors rather value the operational effectiveness and evaluate based on the customers. The organizing tensions are manifested between the two actors where the non-profits actors’ values Yalla Trappans current activities oriented in a social mission while the private actors emphasize change where activities are more oriented towards business ventures. Lastly, the belonging tensions concern the identification with Yalla Trappan where the non-profit actors identify with the social mission while the private actors identify with the business venture.
Based on the tensions identified between the two sectors our findings further suggest that the public sector acts as a positioner where their legitimacy influences Yalla Trappans balance of the tension stemming from the institutional logics. With the influence of the social welfare system on the public actors’ interpretations of Yalla Trappan and further their collaboration, the public actors reinforce a perception of Yalla Trappan as more socially oriented. The large political pressure from the social welfare system encourages the public actors to support Yalla Trappan despite their business challenges, where they rather value the contribution to the social welfare system. We thereby infer from the theoretical analysis of the case that the public actors with the influence of the social welfare system manifest a legitimacy that is more oriented in the social institutional logics. This thereby impacts Yalla Trappans positioning where they get situated between the public and non-profit sector distancing themselves from the demand of the market. The balance of the tension between the institutional logics thereby becomes altered where Yalla Trappan tilts more towards the social institutional logic. Our findings hence diverges from previous research on social enterprises where rather than being positioned in the intersection or converging to the commercial logic to obtain resources, the social enterprise in the Swedish institutional setting based on the social welfare system is positioned more to the social institutional logic. This dynamic reinforcing Yalla Trappan to maintain their current focus on social activities while allowing for a disregard of the markets demands emphasized by the private actors. Yalla Trappan thus becomes limited in their balancing of both the social and economic values where they show an economic deficit. Related to a sustainability perspective the economic deficit can be seen as hindering them from evolving and gaining growth, which can affect their long-term sustainability.

6.1 Contributions to Theory and Practice

This study contributes to existing theory on legitimacy in social enterprises, highlighting the implication of the complexity when it comes to collective actors’ interpretations and social enterprises positioning. It further adds to the understanding of social enterprises from an institutional perspective, specifically looking at social enterprises in the Swedish institutional setting and further explains its implication. Lastly, we add to the field of research with an empirical research on legitimacy in social enterprises from an institutional perspective, for which not much research has previously been done.

In practice, this study emphasizes the complex dynamic in social enterprises. By explaining the implications on the long-term sustainability, other social enterprises specifically within Sweden, can gain a better insight to their positioning in relation to their collective actors. This can further give an understanding to the balancing of the institutional logics for social enterprises and what factors the collective actors have.

6.2 Limitations and Further Research

Despite our attempt to develop a thorough study, our research subject and approach contains some limitations. First, there is a limited amount of research on legitimacy in social enterprises, thus the efforts to find support in previous studies and literature has been limited. Second, exploring legitimacy in social enterprises from an institutional perspective our findings empirically do not include the perspective of the case. Third, with a case based research we do not claim that the result can be fully generalizable. Even though some of our findings might be transferrable for further research in social enterprises, the findings are not enough in order to make them generalizable. Future research on similar subject on social enterprises could overcome some of these limitations. To examine if the legitimacy in social enterprises shares our findings similar studies can be conducted in order to see whether a theory of legitimacy in social enterprises can emerge. Furthermore, with our findings suggesting an impact of the social welfare system on the legitimacy in social enterprises we believe that multiple cases adapting similar methods could verify certain overlapping characteristics and allow for further generalizability.
With the study including institutional setting in its analysis, we recommend that further research on other settings than Sweden could be conducted to suggest similar or other implications of the social welfare system on the legitimacy of social enterprises. This would provide a broader view on the legitimacy in social enterprises and could provide a larger understanding on their positioning and their relation to their institutional setting.
References


## Appendix A

<table>
<thead>
<tr>
<th>Themes</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value creation</strong></td>
<td>What benefits do you see in collaborating with Yalla Trappan?</td>
</tr>
<tr>
<td></td>
<td>What values do you see in Yalla Trappan?</td>
</tr>
<tr>
<td></td>
<td>How does Yalla Trappans values relate to your organization?</td>
</tr>
<tr>
<td></td>
<td>How do you evaluate the value in Yalla Trappan?</td>
</tr>
<tr>
<td><strong>Differentiation</strong></td>
<td>How does Yalla Trappan differ from other organizations?</td>
</tr>
<tr>
<td></td>
<td>In what way does Yalla Trappan differ from your organization?</td>
</tr>
<tr>
<td><strong>Challenges</strong></td>
<td>What challenges exist in collaborating with a Yalla Trappan?</td>
</tr>
<tr>
<td></td>
<td>What weaknesses have you experienced in your collaboration with Yalla Trappan?</td>
</tr>
</tbody>
</table>