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Navigating Legitimacy and Resource Constraints: A Typology of Organizational Forms and Resource Mobilization Strategies Among Chinese Social Enterprises

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Social enterprises (SEs) engage in business activities to address social issues and fulfill social missions. Existing literature has mainly focused on a resource-oriented perspective, assuming that SEs either have or do not have resources. Therefore, we know very little about SEs in non-munificent institutional environments. Drawing on resource dependence theory and the bricolage framework, this study analyzes how SEs in China strategically select organizational structures to navigate legitimacy and resource challenges. Findings reveal that nonprofit SEs often employ social bricolage to enhance community engagement and visibility, while certified SEs leverage diverse partnerships for resource acquisition. In contrast, for-profit SEs face unique challenges in building organizational legitimacy but can access private sector resources through their business-oriented status. This research underscores the importance of tailoring strategies to maximize legitimacy and resource mobilization in the pursuit of social impact.

Social Enterprises, China, Bricolage, Resource Dependence Theory, Interorganizational Partnerships

Introduction

Social enterprises (SEs) are organizations that engage in business activities to address social issues and fulfill social missions (Mair & Marti, 2006). SE organizations have hybrid organizational forms due to the coexistence of traditional business models and the goal of creating social values (Doherty et al., 2014). They span the boundaries of the private, public, and nonprofit sectors, thus facing multiple and conflicting institutional logics (Pache & Santos, 2012). Nevertheless, evidence has shown SEs bring contributions to local communities and particularly socioeconomically disadvantaged people, with empirical support from both developing and developed countries (Kerlin et al., 2021; Powell & Barry, 2021). As argued by Chandra and Paras (2021), SEs could fulfill demands for public goods left unsatisfied by the government.

According to a resource-oriented framework, SEs either have or do not have resources, leading to the under-investigation of non-munificent institutional environments where social enterprises

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can still emerge (Baker & Nelson, 2005). Tauber (2021) suggests that SEs in a non-munificent institutional environment need to be redefined and examined in a country's specific context to uncover their objectives and functions. China has a non-munificent institutional environment for social entrepreneurship due to the legacy of a historically planned economy model and a lack of a vibrant civil society sector. At the same time, the recent transformation in China affords potential opportunities for social entrepreneurship endeavors to address neglected social problems with positive externalities (Santos, 2012). These social problems could range from migrants' rights, elderly care, and equitable employment for people with disability, to affordable health care (Chen et al., 2019). China has been witnessing rising SEs formed to serve the most vulnerable population in the past decade (Yu, 2019).

The institutional environment in China poses a dilemma in understanding the emergence of SEs, which centers on two issues: *legitimacy* and *resources*. First, organizational legitimacy is defined as the degree to which a set of established cultural accounts provide an explanation for an organization's existence, operation, and jurisdiction (Meyer & Scott, 1983). Achieving organizational legitimacy is crucial, as it entails that no questions would be raised about the organization. In the Chinese context, the understanding and acceptance of SEs are pivotal, particularly given the general public's conflicting views on this model, which can significantly influence their legitimacy (Chandra & Wong, 2016). Second, the issue of resources is critical, particularly for traditional Chinese nonprofits, which struggle with resource independence due to their heavy reliance on government funding, and the complex regulation surrounding their registration (Yang et al., 2016). This dependence restricts their operational flexibility and ability to innovate. In response to these challenges, SEs have emerged as a new organizational form designed to survive competitive funding environments, aiming to create social value through profitable business operations (Wang et al., 2016). In summary, the intertwining issues of organizational legitimacy and resource dependency critically shape the emergence and acceptance of SEs in China.

Guided by resource dependence theory and the bricolage framework, this study examines the following research questions: How do SEs determine which organizational form to adopt to obtain legitimacy for their operations?; What strategies do SEs use to acquire and mobilize resources?; and How do these strategies vary based on the organizational form of the enterprise? This paper posits that the motivation for legitimacy influences the choice of organizational form, which in turn affects the legitimacy achieved by the organization. The goal of this study is twofold using China as a research context. First, it examines organizational forms that SEs in China adopt to obtain legitimacy for their operation. Second, it investigates how SEs use interorganizational partnerships as resource acquisition strategies and bricolage as resource mobilization strategies to survive in a non-munificent environment, and under what circumstances they employ different strategies to acquire and mobilize resources. With interview data from 14 social entrepreneurs located in China, this study first identified specific forms of organization Chinese SEs adopted and then discussed strategies they utilized to obtain legitimacy and to survive. We propose a typology of Chinese SEs to describe how different organizations may select among various resource utilization strategies to survive.

This study makes several contributions to the literature on social entrepreneurship. First, it examines how the non-munificent institutional environment may shape or constrain the various forms of SEs. Findings thus revealed the heterogeneity of organizational forms available in the process of obtaining legitimacy. Second, our findings offer suggestions on how to match organizational forms with specific strategies in utilizing resources that would not be available otherwise. The results also provide implications on the bricolage framework by emphasizing the role of cross-sectoral partnerships and technology use.

Social Enterprises in Non-munificent Institutional Environments

Social Entrepreneurship is broadly defined as the "innovative use of resource combinations to pursue opportunities aiming at the creation of organizations and/or practices that yield and sustain social benefits" (Mair & Noboa, 2006, p. 122). Simply put, it leverages commercial activity for social purposes, often focusing on local needs (Mair & Rathert, 2019). Entities engaged in social entrepreneurship could be individuals, groups, or organizations. This current study focuses on SEs that take on organizational forms, such as nonprofits or non-government organizations (NGOs), businesses, and B-corporations (Ko & Liu, 2021).

Social entrepreneurship is not unique to either developing or developed countries (Santos, 2012). Its global relevance rests on its proposed synergy of business and social missions to tackle local issues. However, scholars have admitted that theories on social entrepreneurship lag far behind their practices, as the nature of social entrepreneurship demonstrates institutional complexity. In particular, existing literature fails to address the intersections between institutions and SEs (Bhatt et al., 2019). Institutions refer to "clusters of norms with strong but variable mechanisms of support and enforcement that regulate and sustain an important area of social life" (Rueschemeyer, 2009, p. 210). From a resource-dependence perspective, the literature often assumes that SEs emerge with or without resources (Bake & Nelson, 2005). This results in a limited number of studies that investigated SEs in non-munificent institutional environments. Therefore, little is known regarding how SEs took place in emerging markets such as China.

Bhatt et al. (2019) identified the following institutional factors that could be used to define non-munificence: norms of a strong role for government, misperception of the role of SEs, non-supportive rules and regulations, and a lack of socio-cultural values and beliefs in support of social goals. They further pointed out that non-munificency for SEs goes beyond tangible material resources to public perception and wider support by stakeholders due to their focus on social missions. Studies on non-munificency have been conducted in various contexts, including developing countries, rural regions in a developed country, and indigenous communities (Mika et al., 2024; Ricket et al., 2017). We focus our review on studies in developing countries. Li et al (2022) reported survey data collected from SEs in Pakistan and demonstrated that environmental factors (such as macroeconomic fluctuation and government regulation) could substitute the positive effect of SEs' co-value creation activities on their growth. Truong and Barraket (2018) conducted a case study with SEs located in Vietnam, a country with a transitional economy. Drawing from interviews with SE founders and employees, they found that SEs in Vietnam face significant constraints of both financial and human resources and centralized power and lack of succession are potential vulnerabilities. These studies further suggest that non-munificency defined in terms of limited government support and unawareness could hinder the sustainability of SEs.

Scholars have argued that the non-munificent context of China offers a valuable opportunity to advance scholarship on SEs and identify purposive activities these organizations may undertake to address institutional challenges (Kerlin et al., 2021; Wang, 2022). Chandra et al. (2021) criticized that there has been a lack of novelty and new discovery in the Chinese SE scholarship that tends to focus on obvious factors from the eyes of the Western literature, which further warrants the need to examine strategies Chinese SEs leverage to navigate institutional challenges. The relevance of China as a case study in resource non-munificence is further emphasized by its unique institutional landscape characterized by strong government involvement and a rapidly evolving socio-economic environment. SEs in China must navigate a complex interplay of limited

government support, regulatory challenges, and societal perceptions, which significantly impacts their sustainability and growth, thereby offering a rich context to explore innovative strategies for overcoming these obstacles (Bhatt et al., 2019).
Compared to other parts of the world, the number of SEs in China still remains relatively low due to the long history of a planned economy model, stringent regulation of the non-government sector, and a general lack of social initiatives in the country (Yu, 2011). Since 2015, SEs in China have been experiencing fast growth. Certified SEs are now present in 27 out of a total of 34 provinces, municipalities, and special administrative regions across the country (China Charity Fair, 2019). Besides a large presence of SEs in tier 1 cities (such as Beijing, Shanghai, Guangzhou, Shenzhen), there are growing activities in newly minted tier 1 cities (such as Nanjing, Chengdu, Hangzhou, and Suzhou) and tier 2 cities (such as Wuhan, Kunming, and Changsha). The relatively developed social, economic, and cultural environments and supporting policies in larger cities may have contributed to these trends. In addition, the literature shows that policy support is pivotal in the development and growth of Chinese SEs (Ye, 2021). One thing worth noting is that emerging SEs in China have heavily focused on serving the most vulnerable populations in the country (Yu, 2013), tapping into resource niches largely ignored by government intervention in an era of rapid urbanization and globalization.

Organizational Forms and the Issue of Legitimacy

Understanding the interplay between legitimacy and organizational forms is essential in the context of social entrepreneurship (Battilana & Lee, 2014). The motivation for legitimacy serves as a fundamental condition influencing the choice of organizational form (Suchman, 1995). Specifically, organizations motivated by a need to secure legitimacy strategically select their structural frameworks—whether nonprofit, for-profit, or hybrid models—to align with institutional expectations. This sequence—where motivation shapes form and, subsequently, affects legitimacy—provides a nuanced understanding of how SEs navigate their institutional environments (Dart, 2004).

To begin our understanding of how Chinese SEs may emerge, we first investigate the various organizational forms they may take on to address the challenge of institutional legitimacy. Organizations often need to fulfill expectations related to three types of legitimacy: pragmatic, moral, and cognitive (Suchman, 1995).

Pragmatic legitimacy is based on the need to maintain efficiency, effectiveness, and practicalness when considering the outcomes related to an organization's actions, decisions, and policies. For instance, Chinese SEs may focus on demonstrating the impact of their interventions to secure support from funders and stakeholders, thereby ensuring operational viability. Moral legitimacy pertains to the broader societal judgment regarding whether an organization's procedures, structures, outputs, or activities are deemed the right thing to do. This type of legitimacy drives Chinese SEs to align their missions with prevailing social values and norms (e.g., community development, environmental sustainability, or social welfare), further solidifying their position within their communities. Cognitive legitimacy captures the audience's comprehensibility and taken-for-grantedness, focusing on how stakeholders perceive and understand the organization's purpose and existence. This may manifest in Chinese SEs' effort to frame their missions in ways that reflect cultural traditions and social expectations that stakeholders readily recognize (e.g., familiar organizational structure).

Connecting these types of legitimacy to SEs, existing literature has focused on moral legitimacy as a means to explain the emergence of multiple institutional logics and the growing salience of pro-market emphasis (Blessing, 2015; Dart, 2004). Obtaining and managing organizational

legitimacy entails navigating potential identity conflicts for SEs, which influence what organizational forms to adopt. Organizational forms with which SEs are registered may vary by institutional environment they are embedded in.

Debate exists regarding whether SEs are essentially products of the evolutionary development of nonprofits, or whether they are necessarily a new organizational form (Santos, 2012). The organizational form Chinese SEs may take on is worth investigating due to the complexity of "*social organizations*," an umbrella category that includes nonprofits or non-government organizations in China. Or more accurately, they could be categorized into Civilian-Run Non-Enterprise Units, Civilian-Run Educational Institutions, and Social Organizations (Yu, 2019).

Historically, the Chinese government required a dual registration system for social organizations in the country to receive approval and oversight from both a professional supervisory unit (PSU) and the local public security bureau (Yang et al., 2016). A PSU needs to be a government or quasi-government unit (e.g., state-owned media or certification agencies). This restriction was lifted in recent years; however, for social organizations to have legal status, they are still required to register with the Ministry of Civil Affairs. The breaking with PSUs also poses challenges to nonprofits' financial stability as they now need to rely on charitable donations or membership dues to remain operational (Yang et al., 2016).

As a relatively new institutional phenomenon, SEs face legitimacy challenges in China as they are intended to disrupt the institutionalized ways of solving complex social issues (Kerlin et al., 2021). Tension arises when innovative organizational forms (such as certified SEs, businesses, social organizations, or hybrid forms) aim to combine business and nonprofit institutional logics. In China, government agencies are expected to play a strong role in addressing social issues. The power relationships between the government sector and the civil society sector thus need to be maintained to support existing institutions (Kerlin, 2009), resulting in a high reliance on government funding. However, the different organizational forms SEs take on may influence whether they qualify for government funding. Furthermore, relationships with different stakeholders (e.g., foundations, business funders, customers, or local residents) and types of innovation activities an organization engages in may also influence what organizational form to adopt (Bunduchi et al., 2022). To unpack these tensions, we first examine the following research question:

> *RQ1:* How do social enterprises determine which organizational form to adopt to obtain legitimacy for their operations?

Social Enterprises' Resource Mobilization Strategies in a Non-Munificent Environment

Another challenge SEs in China face is the availability of resources to operate and remain in business. Literature has documented how SEs ventured out to have diverse sources of income and reduce their reliance on government funding (Wang et al., 2016). The mixed sources of funding include government grants and contracts, earned income, donations from individuals and organizations, and investment income, and are intended to build long-term sustainability and stability for the organizations to achieve both social and business goals (Hendrick 2002).

However, revenue diversification negatively impacts financial health and the effect still remains significant after accounting for organizations' income level (Guan et al., 2021). This suggests that SEs may offer a promising opportunity for Chinese organizations to address social issues through a market logic; nevertheless, they do not necessarily have the skills, experience, or resources to navigate the non-munificent institutional environment for survival. We now dive into the literature to explore strategies Chinese SEs may utilize when confronting these challenges,

drawing from resource dependence theory (RTD) and the bricolage framework. RTD emphasizes the notion of strategic alliances to collectively pool resources and it advocates the logic of "*the more the better*"; while bricolage emphasizes "*less is more*" and the need to mobilize existing resources via innovation and improvisation (Liu et al., 2021). These two perspectives complement each other in examining how SEs address resource constraints in achieving both social and business goals.

Resource Dependence Theory and Resource Acquisition via Partnership Building

RDT focuses on strategic actions organizations undertake to manage their interdependence with the external environment (McKinney et al., 1993; Pfeffer & Salancik, 1978). The goal is to enhance their autonomy and exert power and influence. Developed by Pfeffer and Salancik (1978), this theory provides valuable guidance for organizations to understand considerations and consequences relevant to different types of interorganizational partnerships. RDT rests on three important assumptions: first, an organization needs resources to survive and to pursue its goals; second, an organization can acquire resources from other organizations in its environment; and third, resource dependence creates an inverse power relationship and the balance of power usually favors the organization that possesses critical resources other organizations need.

Resources refer to anything of value, tangible or intangible, that can be exchanged between organizations. For example, government agencies provide revenues, information, and political support to SEs whereas SEs offer service delivery capacity and information to public agencies. Subsequently, both government agencies and SEs have mutual resource dependence on each other. The tipping of power dynamics resulting from resource dependence depends on the importance of the resource, availability of alternatives, and ability to compel the provision of the resource (Saidel, 1991).

One important strategy in resource mobilization is through partnering with other organizations (Austin, 2010). Resource-based theories suggest that organizations will enter into partnerships when one partner can contribute the resources or capacities beneficial to, but not possessed by, another organization (Pfeffer & Salancik, 1978). By establishing strategic alliances with partners, an organization may gain access to tacit knowledge and complementary skills, new technologies or markets, and the ability to provide a wider range of products and services than otherwise (Chen, 2010; Milagres & Burcharth, 2019).

To acquire resources, SEs in China have engaged in various alliances to seek funding, conduct community engagement, and influence policies (Liu et al., 2021). Given the non-munificent environment, these SEs form and leverage partnerships with various organizations to tap into resources that would be otherwise unavailable. Existing studies have also shown that partnerships also allow organizations to access various stakeholders and build a collective vision toward social impact (Liu et al., 2018).

From the resource dependence perspective, strategic alliances that SEs build should emphasize the logic of "*the more the better*" and require sufficient resources to be available in the first place to form the alliances (Liu et al., 2021). However, the dilemma remains in how less resourceful organizations (due to institutional constraints or organizational limitations) may form partnerships or afford the acquisition of resources in the first place. Therefore, in the next section, we review the framework of bricolage as an alternative pathway for organizations to mobilize resources in a non-munificent situation.

Bricolage and Mobilization of Existing Resources

In addition to acquiring new resources, SEs may also leverage existing resources at hand for survival. One lens to explain the emergence of SEs in a non-munificent environment is the framework of bricolage, a resource mobilization strategy when an organization's environment makes it difficult to access capital or when its institutional support is lacking (Di Domenico et al., 2010; Desa & Basu, 2015). Lévi-Strauss (1967) introduced the original concept of intellectual bricolage to refer to the process of "making do with what is at hand" (p.17). Rao et al. (2005) explained bricolage as hybridization, using the blending of elements between classical and nouvelle cuisine styles within French gastronomy to illustrate the process. Bricolage stands in contrast to seeking out more resources and focuses on the mentality of "*less is more*" (Liu et al., 2021).

The literature connecting SEs and bricolage has identified two general categories of strategies: *business bricolage* which is more focused on promoting entrepreneurship and achieving business goals; and *social bricolage* focused on achieving social goals. Business bricolage includes the following dimensions: making do, refusal to enact limitations, and improvising (Di Domenico et al., 2010; Johannisson & Olaison, 2007). *Making do* captures the action of using existing resources for new purposes. For example, an organization utilizes discarded, disused, or unwanted resources for new problems and opportunities, often in ways other organizations would not recognize or value. *Refusal to enact limitations* refers to organizations trying out solutions to counter limitations imposed by the institutional environments and to create social value. *Improvising* captures the actions of adapting standard ways of working and creative thinking to counter limitations imposed by institutional environments. It is related to refusal to enact but emphasizes an organization's ability to initiate a range of projects and consistently respond to opportunities, through its embedded agency and community engagement.

Social bricolage includes the following: social value creation, stakeholder participation, and persuasion (Di Domenico et al., 2010). *Social value creation* focuses on how organizations alter existing arrangements as necessary, work with limited resources available, and create something from nothing for a social end. *Stakeholder participation* involves active involvement of stakeholders in the creation, management, and governance of an organization. It includes engaging in social networking activities, adapting governance structures, and gaining access to expertise/new contacts. *Persuasion* occurs when an organization focuses on convincing stakeholders of the potential usefulness of its resources, assets, and business case and thus leverages negotiated resources and support to create social value. Though resource acquisition is possible, persuasion often captures the need to mobilize whatever resource is available instead of reaching out for additional resources through other significant actors in a community.

There has been limited research that evaluates the combined use of both partnership alliances and bricolage, possibly due to seemingly conflicting assumptions underlying these strategies. As mentioned earlier, resource mobilization via partnership advocates for "the more the better"; while the bricolage framework is guided by "less is more," which is about mobilizing limited resources via innovation and improvisation. Guided by this institutional dilemma, we argue that the synergy of RDT and the framework of bricolage allows us to investigate how prevalent each strategy may occur in a non-munificent environment where SEs emerge and how SEs of different organizational forms decide to adopt what resource strategies. We ask the following research question:

RQ2: What strategies do SEs use to acquire and mobilize resources, and how do these strategies vary based on the organizational form of the enterprise?

Research Context: Chinese Social Enterprises

SEs in China have emerged as innovative organizational forms in recent years. However, the legal landscape for SEs in China remains ambiguous, as there is currently no specific legislation that explicitly defines or regulates social enterprises. Instead, SEs operate under a complex framework of existing laws governing nonprofits, businesses, and other forms of social organizations. Historically, the concept of social entrepreneurship in China has gained traction, particularly since the government began to recognize various forms of social organization in response to rising social issues, such as poverty alleviation, environmental sustainability, and social inclusion.

The development of SEs in China can be traced back to the early 2000s when the government initiated reforms aimed at promoting civil society and encouraging entrepreneurship (Yu, 2011). As a result, several organizational forms emerged, with SEs either registering as nonprofits or informal entities, or adopting business-oriented models. Among these, "certified SEs" refer to organizations that have sought formal recognition from the government or designated certification bodies, allowing them to access specific benefits, such as government funding or partnership opportunities (Yu, 2019). However, the certification process is often fraught with complexities, and the benefits may be limited.

The lack of clear legal status complicates the landscape for SEs, as they must navigate a bureaucracy that historically emphasized state control over social welfare. Many organizations hesitate to fully adopt the SE label for fear of losing eligibility for government subsidies that are typically reserved for traditional nonprofits. Consequently, many SEs operate under the umbrella of “social organizations,” which include a wide range of entities such as foundations, NGOs, and community-based organizations that aim to address specific social needs.

This research investigates how these varying organizational forms influence the ability of SEs to access resources and legitimacy within the non-munificent institutional environment of China. By examining the organizational dynamics of certified SEs alongside traditional nonprofits and for-profits, this study aims to illuminate the pathways through which these entities mobilize resources and sustain their operations amidst institutional challenges.

Method

Data Collection

Interview data were collected from Chinese SEs that were registered in China regardless of the founder’s nationality or the geographic scope of their activities. Participants were recruited through two channels between Spring and Fall of 2019. First, a list of SEs servicing marginalized populations in China was compiled based on two sources: a national SE investment conference that takes place annually and keeps a list of active members; and a national SE incubator (NPI.org). Direct inquiries were sent to the founders of these organizations. Second, referrals from the SEs that participated in the survey were contacted. A total of 14 interviews were completed, 8 conducted in person and 6 over the phone. Interviews lasted between one hour to 90 minutes.

The interviews were semi-structured and included questions on the following topics: social issues to focus on, founding background, funding sources, main challenges faced, partnerships, use of

technology, and community outreach activities. The sampled organizations ranged in issue focus and the development level of their SE models. The variation thus allows the examination of the antecedents of social entrepreneurship. See Table 1 for a summary of the interviewed organizations.

Table 1. *Social Enterprise Characteristics*

Case	Description	Location
1	A certified social enterprise and a management consulting firm, delivering services related to community building, social renovation, interior design, and community innovation	Shanghai
2	An impact investment startup providing a platform, space, and funding for social entrepreneurs	Shanghai
3	A certified social enterprise specialized in providing electricity and electronic devices to BOP population in developing countries (mainly India and countries in Africa such as Kenya, Ethiopia, Rwanda) with affordable price	Shenzhen
4	A family-run architecture and design firm advocating for women's rights, gender equality, inspiring to be a benefit corporation	Shanghai
5	A certified social enterprise and a service provider for elderly care	Shanghai
6	A nonprofit that provides services and assistance to hemophilia patients and their families. Currently exploring how to build a database and start a SE branch.	Beijing
7	A nonprofit providing medical emergency relief to kids and their families, inspired by a model like the Ronald McDonald House Charities but on a much smaller scale	Shanghai
8	Bakery affiliated with a national foundation, providing skill training and employment for people with disability	Nanjing
9	A travel agency affiliated with a national foundation, providing cultural experiences to funders and the general public to visit program sites across the country	Nanjing
10	A charity focusing on building a network platform for poverty alleviation, by leveraging engagement of college students' volunteerism	Nanjing
11	A commercial housing provider for people of disability	Nanjing
12	A nonprofit specialized in promoting sustainable development finance, including impact investing and ESG investing in China	Shenzhen
13	A certified SE specialized in community development leveraging technology and crowdsourcing	Shanghai
14	A company that specializes in mentoring students to successfully navigate the college admissions process; "Khan Academy for college admissions"	Shanghai

Coding and Analysis

The transcripts from the interviews were analyzed through two rounds of coding. First, we followed the existing literature on SEs' organizational forms to create a dichotomy of SEs: nonprofit SE and for-profit SE (Guo & Peng, 2020; Ko & Liu, 2021). The following information from organizations' websites and interviews was used to code social issues tackled, legal registration status, and sector representation. Second, the author went through the interview scripts and coded resource mobilization and bricolage strategies used by each organization. Following Saldaña (2013), this step refers to provisional coding. Then, a provisional list of strategies was developed based on the literature review (Miles & Huberman, 1994). In the coding process, this list served as a guide and can be revised or modified. Final codes were then reviewed and condensed as themes emerged, as a process of focused coding (Saldaña, 2013). Interviewees are referred to by the name of their organization as opposed to their individual names. All the coding was conducted in Atlas.ti.

To answer RQ1, the coding focused on themes related to the underlying legitimacy motivations of SE operations and how specific motivations were linked to the adoption of a specific organizational form. The initial coding started with the dichotomy of nonprofit vs for-profit forms; the author was also mindful of potential other organizational forms that might be unique to the Chinese institutional environment. To answer RQ2, main strategies for each organizational form in terms of resource mobilization and bricolage were coded and summarized. In doing so, the coding captured detailed examples of how organizations in each sector differed in specific strategies but also demonstrated common patterns. See Table 2 for a summary of what interview questions were used in the coding process to answer RQs.

Table 2. *Summary of interview protocol questions and RQ analysis*

	Protocol question
RQ1	Social issues
	Founding background
	Challenges
RQ2	Funding sources
	Challenges
	Partnerships
	Use of technology

Community outreach

Results

In this section, findings are synthesized to answer the RQs and to map out possible pathways for each sector identified in the sample.

Organizational Forms and Underlying Motivations

All of the organizations interviewed self-identified as SEs and tackled a variety of social issues. Their focus ranged from offering skill training and employment to people with disabilities, providing support to children and adults with rare diseases, providing service to the elderly, alleviating poverty, building a more sustainable and livable community, promoting gender equality, to offering educational consulting.

The coding revealed three specific forms these organizations are legally registered as: nonprofit, for-profit, and certified SE. Four organizations (organization ids 6, 7, 10, and 11) were registered as nonprofits (2 foundations, 1 service center for youth of disability, and 1 charity organization). Several reasons were given to describe why organizations chose this particular form. First, there is a relatively low awareness of SEs and what they actually do in China. It is still viewed as a foreign concept, with a mixed understanding of what it entails. Second, the SE identity does not bring any tangible benefits but tax losses to most organizations. In China, low-income families and people with disabilities are eligible for government subsidies. Working in a nonprofit or social organization keeps them qualified for the subsidy while employment at a registered for-profit business would disqualify them. In other words, a SE status does not bring direct benefits financially for their employees. One interviewee stated: "*Social enterprise is more of a mindset and does not really require a legal registration*." For these organizations, the first motivation speaks directly to their concern of moral legitimacy and the second motivation is more centered on the achievement of cognitive legitimacy demanded by the government.

Eight organizations (ids 1, 2, 3, 5, 8, 12, 13, and 14) registered as certified SEs. They covered a variety of services, ranging from education, sustainable energy, career development for people with disability, business consulting, community development, elder care, and impact investment. For SEs that sought legal registration and certification of formal status, one reason is the sophisticated bureaucratic registration process for social organizations in China. One stated: "*As government supervision of nonprofits tightened, it is now taking longer to complete a registration for a social organization… Another practical limitation is that the social organization registration process requires your organization to be located in a specific city with a defined jurisdiction. A certified social enterprise can function as a business or company with branches and offices, or a network. It is much easier for us*."

Certified SEs acknowledged that being a SE indeed would make them disqualified from certain tax benefits but would also open up other opportunities. For example, one SE mentioned the recent government subsidy for technology startups that they would qualify for. Another interviewee stated: "*Certification does not bring benefits directly, but visibility and potential relations to leverage upon… I do think being a social enterprise helped with our branding and allowed us to position ourselves uniquely on the market to obtain government funding if we found a niche."* To summarize, these organizations emphasize the motivation of pragmatic legitimacy behind their decisions of going through the formal registration process, despite low social awareness and the cost associated with the certification.

Two remaining organizations (ids 4, and 9) in our sample were registered as regular for-profit organizations without going through the SE certification process. One unique example is Organization 9, which was initially registered as a nonprofit with the mission to advocate tourism and educational programs in remote areas that had not been fully discovered by commercial travel agencies (e.g., the Qinghai province in western China). However, they received significant pushback from private travel agencies that criticized the fees they charged to organize tours (demanding that the tours should be free). The competitors argued that the fees were against the organization's nonprofit status. Eventually, the organization decided to register as a for-profit business while maintaining its social mission to bring tourism revenues to remote areas. Organization 4 was a small architecture advocating for gender equality at the workplace. It inspires to be a benefit corporation. Because of its size, young age, and niche market focus on design, the company chose to stay as a pro-profit business. Its co-founder (female) said: "*In a way, I believe certification might limit how much we can achieve on social goals.*" To summarize, for-profit organizations were intrinsically motivated to balance their focus on both social and business goals, while subject to the concern of cognitive legitimacy perceived by industry competitors and customers.

Several challenges were brought up in the interviews about running a SE in China, including public distrust, and dilemma in organizational identity and targeted stakeholders (i.e. too niche to raise awareness yet too broad to have any success). SE in China in general has no clear market orientation, no clear business model.

Resource Mobilization Strategies via Diverse Partnerships: Certified SEs

The results showed distinctive resource mobilization strategies used by certified SEs to obtain resources and sustain their business models: building strong partnerships with the government sector while maintaining a diverse pool of partners. To begin with, certified social enterprises have maintained a sustainable relationship with *local governments*. They viewed the government as an important partner. While they acknowledged challenges in communicating and working with the government, they emphasized that the key was to show what unique value SEs could offer. This could include filling in a niche market that the government simply could not have the capacity to tackle, e.g. elderly care. One person mentioned that: "*We always looked out to see how to take advantage of government policies and go after a specific market that could receive government subsidy*." Certified SEs worked with government agencies in a variety of ways. Besides receiving start-up funding from the government, they considered the government sector as a client that has purchasing power. Thus, alliances are formed to have more integrated relationships. One certified social enterprise (id 1) was hired by the county government to work on a renovation project to revive a historic street, because of its design specialty.

Certified SEs also reached out to *diverse partners* to reduce their dependence on government agencies. Most of these organizations stated that over 60% of their partners were nonprofits. Notable partners include media, foreign companies (such as HSBC and Starbucks), foreign foundations, and other domestic businesses (small enterprises, and state-owned enterprises). Partnership activities ranged from charity sales, and branding to raise public awareness, to implementing programs together. The company that sold solar-power devices to BoP (id 3) shared their partnership stories. Initially, they hesitated about working with local partners for product distribution and marketing in Africa. The locals did not trust their product would work; they did not trust the locals either. Communication was a major challenge, because of language barriers and concerns for efficiency. Once the company was more stable financially, the founder started attending more fair trade exhibitions to scout local partners. The organization started working

with smaller distributors in Kenya, which led to the word-of-mouth effect. Eventually, they started running workshops in local communities, so the younger generation could gain skills by learning how to assemble and repair the devices themselves.

Less Integrated Partnerships toward Securing Funding and Name Recognition: Nonprofit SEs

Our data showed that organizations registered as a nonprofit engaged in less integrated partnerships. Take Xinghou foundation (id 10) as an example. The founder discussed the partnerships built with local universities but emphasized that the intention was to recruit volunteers. They viewed college students as resources that the organization could tap into for free when the organization had limited capital. Nonprofits' partnerships are primarily with other nonprofits such as foundations, public hospitals, and media. One organization (id 7) specified that having a good relationship with local and national media helps with word-of-mouth, and also helps them build a good reputation when seeking funding. Another organization (id 11) mentioned their initiatives of utilizing big data in collaboration with the disability association however they disclosed that due to the quasi-government nature of the association, the partner organization was relatively close-minded and therefore had limited capacity to serve people of disability. In other words, these partnerships are more to facilitate name recognition and much less about mobilizing resources.

Nonprofits in our sample often faced limited institutional support and access to capital, having to survive by relying on existing resources, instead of seeking out new resources. They viewed partners as important and paid particular attention to government agencies as funders. Though they acknowledged the need to move away from the sole reliance on the government funding model, other pressing needs took priority such as building enough credibility in local communities and making ends meet. Thus, nonprofits remain reliant upon governments for financial support.

Limited Cross-sector Partnerships and the Need to Main Sustainable Finance: For-profit SEs

Two organizations that identified as SE businesses without being certified also demonstrated unique partnership strategies in accessing resources. The strong reliance on a single sector for partnerships stands out from the interviews, whether it is government agencies or private firms. The limited effort was placed on reaching out to more diverse partners. For example, one organization (id 9) focused on developing a funder base by contacting small business owners in the city and large enterprises (particularly foreign-owned firms) to receive sponsorship for events and programming. Though it has partnerships with local schools (by recruiting student travelers), mainly tourism programs are run with employees at private firms. Similarly for Organization 4, government organizations remained as its main clients. There was limited collaboration with environmental nonprofits but primarily it was through employee volunteering programs that took place infrequently. These organizations' partnership patterns seemed to connect back to their cognitive concerns and also the practical challenges of being financially sustainable. See our summary of specific partnership strategies by sector in Table 2.

Bricolage Strategies

Across all three organizational forms, all the bricolage strategies were identified but each organizational form demonstrated unique patterns (see Tables 3 and 4). This section begins by discussing the main examples that used each of these bricolage strategies and then zoom in to discuss the main patterns in each sector.

Making Do: The first bricolage is *making do*. Three out of 4 nonprofits used this strategy. For example, Xinghuo Foundation (id 10, nonprofit) recruited college students as volunteers and administrative forces of the organization, utilizing untapped resources by other organizations.

These students view their experiences as unpaid internships with leadership training opportunities. In a similar strategy, 9958 Charity (id 7) relied on a volunteer's donation for an apartment rental to host children in need and their parents who came from out of town. This bricolage strategy was also used by 5 certified SEs (out of 8), particularly startups or during the early days of their business. For example, an education consulting firm (Dyad, id 14) was founded by a foreigner who had to navigate all the complex systems of business registration, and what a SE identity represents in China. The founder had to wear different hats to move things forward. In addition, we found examples in both business organizations. For example, the cultural travel agency (id 9, the less resourceful business in our sample) mentioned limited human resources and had to rely on volunteers when hosting events and tours.

Table 3. *Summary of partnership strategies by sector*

	Partner sector	Partnership diversity	Partnership purpose
Certified SEs	Government as clients, nonprofits, media, domestic and foreign companies	High	Product delivery in niche markets, charity sales, cause marketing, training
Nonprofits	Government as funders, foundations, public hospitals, and media	Almost none	Funding, name recognition, volunteer recruiting
For-profits	Government, firms, or NGOs	Limited	Financial support, project collaboration

Refusal to Enact Limitations: Second, refusal to enact limitations. This strategy was used by one nonprofit in our sample (9958 Charity, id 7). The organization came up with a strategic plan of having parents work on second-hand goods and resell them to generate revenue. However, this revenue generation model did not work out, as they lacked storage space and could not afford designers. Six out of 8 certified SEs also used this bricolage strategy while leveraging technology. For example, several companies have built their own database and digital platforms to ensure product delivery and customer engagement when no government funding was available. One SE (id 5), whose founder had experience working at a tech start-up in Silicon Valley built a comprehensive user database to connect their existing customers (the elderly and their family members) to third-party service providers (in areas such as meal delivery, online shopping, and dog sitting), and government platforms (such as the national ambulance hotline). This strategy based on big data has helped streamline their services and gain name recognition in the niche market of elderly care. They intended to expand their service to be connected with other service providers such as ambulance, social workers, and pharmacies as they continued to improve the database. Both business SEs also used this strategy to overcome challenges. Organization 9 decided to change its registration status and redefine its target audience groups after facing criticism from commercial competitors. Organization 4 started pilot-testing programs in local communities for free, as a part of its effort for raising awareness for gender-equitable employment practices.

Improvising: Third, improvising. Only one nonprofit used this strategy (9958 Charity, id 7). The interviewee talked about having to rely on existing resources (its volunteer base) to ask for favors

(e.g., donation) when new needs emerged (e.g., paying for clients' hospital bills and travel cost). Four out of 8 certified SEs used this strategy. For example, Amity Bakery (id 8) initially raised funding for training so the trainees could have skills for employment. However, their first cohort of graduates could not get jobs due to discrimination. Instead of calling off the training program, they decided to use the rest of the funding to invest in a bakery and hired the graduates of the training program. One of the two business SEs used improvising (id 4). The company had been a strong advocate for breastfeeding among female employees but also had invested in awareness raising in the broader community. The interviewee (the female co-founder) talked about her role in taking initiative to battle stigmas whenever a conversation took place.

Table 4. *Summary of Bricolage Strategies*

	Business Bricolage	Social Bricolage
Nonprofit SEs	- Making do: relying on volunteer base for donation and human resources - Refusal to enact limitations: building credibility, communicating challenges to funders - Improvising: creative ways to mobilize funds for emerging needs	- Stakeholder participation - Social value creation - Persuasion
Business SEs	- Making do: creative ways to reduce cost - Improvising: Aide programming, advocacy	- Social value creation: diverse community partners for engagement - Stakeholder participation - Persuasion
Certified SEs	- Refusal to enact limitations: leveraging technology, changing organizational form, navigating tax systems - Making do: recognizing and finding value in resources (such as a less ideal location for the business) to further objective, niche market, wearing multiple hats - Improvising: pivoting organizational models to adapt to market need; innovative programming	- Stakeholder participation: word-of-mouth to increase sales - Social value creation: educational program - Persuasion

Social Bricolage: Lastly, we found evidence that social bricolage strategies were heavily used by all organizations. To begin with, *social value creation* was used by 1 nonprofit, 5 certified SEs, and 2 business organizations. For example, Ruize (the for-profit SE which is also a care center for people with disabilities, id 11) developed a new program to have their residents offer package delivery services to other residents in the neighborhood. It attracted national coverage through CCTV. This helped to build a relationship with the locals by breaking the stigma and to raise the

awareness that they can fully function as independent individuals. Among certified SEs, the key was to emphasize their social mission such as intentionally supporting sustainable business models of clients (id 2, id 12) despite the initial hurdles of getting funds on their own. Another certified SE (id 1) defined itself as a social innovation center that offered diverse services which included a mix of free and charged programs. As a management consulting firm, its mission was to apply effective business models toward social goals such as community development, sustainability living to provide public goods. Another social value creation model is the one from Amity travel agency (business SE, id 9) where they built a strong relationship with local residents at their project sites. These relationships helped bring some younger residents back from the city to take on jobs as tour guides and chefs in their hometowns. This change in local communities helped to generate a sense of purpose and sustain the local economy among the residents.

Second, *stakeholder participation*. This strategy was identified in 3 nonprofits, 3 certified SEs, and both businesses. One nonprofit that advocates for hemophilia patients (id 6) started as an online peer support group and has since relied on its members for advocacy and awareness-raising for this rare disease. One certified SE (Amity Bakery, id 8) discussed their strategies to have regular customers help them with word-of-mouth and spread the news about what they sell (since western pastries are not well received by local residents) and what is unique about them (the dual mission). Business SEs made an intentional effort to brand their social mission focus (for id 4 it was advocating gender equality through organizational practices and policies; for id 9 it was revitalizing remote communities through sustainable tourism and educational programs) to potential customers and stakeholders.

The last social bricolage strategy was *persuasion*. This strategy was only identified in 2 nonprofits, 1 certified SE, and 1 business SE. For example, the nonprofit 9958 Foundation (id 7) relied on personal relationships with doctors and nurses to convince the urgency of children that need hospital care. This relationship building took a lot of meetings since the founding of the organization. The certified SE (id 3) actually viewed their certification as a way of persuading others that it is possible to achieve both social and business goals. For organization 4, persuasion has been a part of their organizational practices, from educating employees, and closely monitoring government policies related to gender equality at the workplace, to conducting community outreach activities. The co-founder who identified as female invested herself in attending educational conferences in relevant topics (e.g., benefits of breastfeeding, trends in blockchain and other technology innovation, and timeshare philanthropy) and providing free workshops to employees.

To identify specific patterns, we summarized how each sector engaged in both general and social bricolage strategies in mobilizing resources. The results showed that nonprofit SEs were the most active in utilizing social bricolage strategies (6 appearances for 4 organizations), also showing a slight preference over the general bricolage strategies (5 appearances). Certified SEs were the most active in utilizing general bricolage strategies (15 appearances for 8 organizations), showing a preference over the social bricolage strategies (9 appearances). One thing worth noticing is that business SEs utilized both categories of the bricolage strategies equally, without a preference based on our coding (for each category, we identified 5 appearances).

Discussion

Guided by the RDT and the bricolage framework, this study offers important insights into the diverse organizational forms and resource mobilization strategies employed by SEs in a non-munificent institutional environment. By first identifying three organizational types, our findings

revealed underlying legitimacy motivations for each sector's registration status. Then we presented findings related to specific examples of resource mobilization via partnerships, and general and social bricolage strategies utilized by each sector. They highlight the critical role of motivation in shaping organizational forms, which help to unpack how SEs navigate institutional challenges in their pursuit of legitimacy. In this section, we offer a more systematic understanding of the possible pathways each of the sectors may engage in to respond to specific challenges. The summary also allows us to further investigate the values partnerships may bring to SEs in non-munificent environments, and the opportunities offered by technology such as blockchains and big data analytics.

Organizational Forms and Legitimacy Motivations

The analysis of the different organizational forms adopted by Chinese SEs sheds light on their underlying legitimacy motivations. Nonprofit SEs prioritized moral and cognitive legitimacy, as they sought to align with the traditional understanding of nonprofits and maintain eligibility for government subsidies. In contrast, certified SEs were more focused on pragmatic legitimacy, leveraging the formal registration process to access new funding opportunities and enhance their visibility. Interestingly, for-profit SEs demonstrated a balance between social and business goals, highlighting their emphasis on cognitive legitimacy as perceived by industry peers and customers.

These findings suggest that SEs in non-munificent environments strategically choose their organizational forms based on the specific legitimacy challenges they face (Blessing, 2015). In a non-munificent environment where the concept of SE is not yet widely understood, nonprofits leverage their existing identity to justify their social mission, while certified SEs and for-profit SEs navigate the tension between innovative organizational models and institutional expectations. This nuanced understanding of legitimacy motivations contributes to the literature on social entrepreneurship, which has traditionally focused on the broader institutional complexity faced by SEs (Kerlin et al., 2021). For example, in Pakistan, SEs encounter operational barriers due to bureaucratic hurdles and socio-cultural perceptions that may undervalue the role of social entrepreneurships (LI et al., 2022). The findings revealed here highlight the necessity for policymakers in different countries to consider context-specific strategies that support SEs in aligning their organizational forms with prevailing legitimacy frameworks.

Resource Mobilization Strategies

The analysis of resource mobilization strategies employed by Chinese SEs further reveals diverse pathways they take to address resource constraints. Certified SEs demonstrated a sophisticated approach that is guided by the logic of "the more the better" (Liu et al., 2021). They leverage partnerships with government agencies and a diverse pool of stakeholders to acquire resources. This multifaceted collaboration allows them to leverage not only financial support but also critical non-financial resources, thereby enhancing their operational capabilities. In contrast, nonprofit SEs relied more on social bricolage strategies, such as stakeholder participation and persuasion, to mobilize limited resources within their existing network. These strategies are more aligned with the logic of "less is more" (Liu et al., 2021), where they maximize limited resources by creatively mobilizing local assets and fostering community involvement. Interestingly, for-profit SEs exhibited a more limited cross-sector partnership approach, focusing primarily on either government agencies or private firms. This narrower focus, while enabling them to balance social and business objectives, may limit their ability to establish a broader legitimacy and resource network that certified SEs enjoy. Such challenges resonate with existing concerns regarding revenue diversification among for-profits (Guan et al., 2021).

The findings also highlight the role of technology in enabling resource mobilization through bricolage. SEs across different organizational forms utilized technology-enabled strategies, such as building customer databases and digital platforms, to overcome resource constraints and engage with their stakeholders. This aligns with the literature on how technology can empower social innovation toward sustainability in resource-scarce environments (Goggin et al., 2019).

Resource mobilization strategies utilized by Chinese SEs offer implications for other non-munificent environments as well. For example, SEs in Vietnam face financial constraints and power centralization, demonstrating that the hurdles encountered in China are reflective of broader challenges in similar contexts (Truong & Barraket, 2018). This scenario highlights the necessity for SEs to cultivate strategic partnerships with local governments and other stakeholders, mirroring the collaborative practices of certified SEs in China.

Pathways for SEs in Non-Munificent Environments

By integrating insights on organizational forms, legitimacy motivations, and resource mobilization strategies, this study proposes a more comprehensive understanding of the pathways available to SEs in non-munificent institutional contexts. Nonprofit SEs, often driven by moral and cognitive legitimacy concerns, may prioritize social bricolage strategies to mobilize limited resources within their existing networks. By leveraging stakeholder participation and persuasion, they can enhance community engagement and visibility, potentially leading to increased funding and support from local governments and other nonprofit partners, as seen in contexts like Vietnam and Pakistan, where governmental and societal understanding of SEs is still developing.

Certified SEs, which strive for pragmatic legitimacy, can adopt a more balanced approach by utilizing both resource acquisition through diverse partnerships and resource mobilization through general bricolage strategies. Their formal registration and certification can provide access to government funding and support, while technology-enabled bricolage enhances their capacity to innovate service delivery and overcome resource constraints. This is particularly relevant in regions with similar institutional barriers where certified SE status can lead to greater legitimacy and resource opportunities.

For-profit SEs, aiming to balance social and business goals, may face the challenge of building broader organizational legitimacy in non-munificent environments. They can leverage their for-profit status to access private sector resources yet also explore opportunities to engage in social bricolage strategies to demonstrate social impact and enhance their cognitive legitimacy with customers and industry peers. This dual approach becomes essential in environments where stakeholders may be skeptical of the motivations behind for-profit social enterprises, facilitating their ability to secure support and build trust.

Implications And Contributions

The findings of this study have important implications for policymakers, practitioners, and scholars interested in the development of social entrepreneurship in non-munificent institutional environments. For policymakers, the insights on organizational forms and legitimacy motivations can inform the design of policies and support mechanisms that better address the diverse needs and challenges faced by SEs. Recognizing the heterogeneity of SEs and their varying resource mobilization strategies can help policymakers develop more targeted interventions to foster a more conducive ecosystem for social entrepreneurship. Practitioners, including social

entrepreneurs and support organizations, can also benefit from the understanding of the different pathways available to SEs. This knowledge can inform their strategic decision-making, such as the selection of organizational forms, the development of partnership networks, and the effective utilization of bricolage strategies to address resource constraints.

This study makes several contributions to the literature on social entrepreneurship. First, it examines how the non-munificent institutional environment may shape or constrain the various forms of SEs in China through the integration of resource dependence theory and the bricolage framework. Findings demonstrate how SEs strategically choose their organizational structures based on their underlying legitimacy motivations. This nuanced understanding of how legitimacy motivations shape organizational forms advances the literature on social entrepreneurship, which has traditionally focused on the broader institutional complexity faced by SEs. Second, our findings offer suggestions on how to match organizational forms with specific strategies in utilizing resources that would not be available otherwise. By unpacking the diverse pathways SEs take to obtain legitimacy through resource mobilization and acquisition, this study provides a more comprehensive perspective on the heterogeneous landscape of social enterprises, particularly in contexts where the concept is still emerging and faces institutional constraints.

Limitations and Future Directions

Several limitations in this study warrant future research. First, the sample strategy that took place over six months via purposeful and snowball approaches, although providing rich insights, limits generalizability. Future research could benefit from a more comprehensive sampling approach to fully capture variability in organizational forms and service types across a broader geographic and demographic context. Second, data collection was primarily based on self-reported information from SE leaders. While the interviews provided in-depth perspectives, there may be some potential biases or incomplete information that could not be entirely verified. Incorporating additional data sources, such as financial records, program evaluations, and external stakeholder perspectives, could strengthen the analysis. Third, this study focused on the Chinese context, which has its unique institutional environment and support mechanisms for social enterprises. While the insights generated can inform research and practice in other non-munificent settings, the generalizability of the findings to significantly different institutional contexts may be limited. Comparative studies across countries could shed more light on the contextual factors shaping social enterprise strategies. Finally, we used an inductive approach to determine the three types of organizational forms. There might be other less recognized forms in existence. Future research should investigate hybrid models and other informal SE initiatives to provide a more comprehensive understanding of their strategies in surviving a non-munificent institutional environment.

Conclusion

This study offers a comprehensive understanding of the diverse organizational forms and resource mobilization strategies employed by SEs in China's non-munificent institutional context. The findings reveal the heterogeneity of organizational forms adopted by SEs and how they navigate the complex challenges of legitimacy and resource constraints. Nonprofit SEs prioritized moral and cognitive legitimacy, while certified SEs focused on pragmatic legitimacy, and for-profit SEs balanced social and business goals. The analysis of resource mobilization strategies further demonstrates the varied pathways SEs take to address resource constraints. Certified SEs leveraged partnerships with diverse stakeholders, nonprofit SEs relied on social bricolage

strategies, and for-profit SEs exhibited a more limited cross-sector partnership approach. These insights can inform policymakers, practitioners, and scholars in their efforts to foster a more supportive ecosystem for social entrepreneurship, particularly in emerging markets characterized by resource constraints and institutional complexities.

Disclosure Statement

The author(s) declare that there are no conflicts of interest that relate to the research, authorship, or publication of this article.

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Author Biography

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