Entrepreneurial impact sourcing: a conceptual framework of social and commercial institutional logics

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Abstract. This article answers calls for better characterizations of impact sourcing given its potential to create social impacts in conjunction with global sourcing. It introduces a conceptual framework consisting of four dimensions drawn from entrepreneurship literature: primary mission, success criteria, resource mobilization and innovation approach – that characterize entrepreneurial impact sourcing service providers. These four dimensions are anchored across ideal types of social and commercial institutional logics to explicitly account for and capture the dual social and commercial value orientations of impact sourcing service providers as acknowledged in the literature. We evaluate the utility of this framework by using it to assess a US-based business process outsourcing social enterprise that focuses on the underserved workforce of military veterans and spouses of military personnel. We found that this firm used social logic for both the firm’s primary mission and the firm’s resource mobilization; it used commercial logic for its success criteria, and it used both logics for its innovation. Our analysis of the case substantiates the applicability of the framework for capturing variation in how impact sourcing providers may selectively draw upon different logics across the four dimensions. © 2017 John Wiley & Sons Ltd

Keywords: impact sourcing, military spouses, veterans, institutional logic, framework

INTRODUCTION

Recent developments in the practice of global sourcing of information technology (IT) and business services suggest that the impetus behind global sourcing is evolving beyond traditional economic motivations (such as capitalizing on labour arbitrage or obtaining strategic benefits) to now include creating social impacts and development (Babin & Nicholson, 2012; Heeks, 2013; Madon & Sharanappa, 2013; Malik et al., 2013; Carmel et al., 2014; Nicholson et al., 2014; Sandeep & Ravishankar, 2015a). Within this broadened purview, a new breed of
innovative and entrepreneurial outsourcing service provider firms with social and development aims has emerged (e.g. Sandeep & Ravishankar, 2015b; Sandeep & Ravishankar, 2015a). Operating under a broader social entrepreneurship and innovation umbrella (Sandeep & Ravishankar, 2015b), these firms attempt to enable and foster what is generally referred to as impact sourcing.\(^1\)

Specifically, such service provider firms not only espouse to meet the economic imperatives of global sourcing clients (i.e. create commercial/business value) but also endeavour to bring about positive social change and development among heretofore marginalized populations (i.e. create social value). What makes impact sourcing particularly interesting is the potential manifestation of social impacts by bringing of outsourcing jobs to marginalized individuals or communities (Sandeep & Ravishankar, 2015b). In other words, impact sourcing providers seek to deliver on their dual value promise by often innovatively engaging the very marginalized populations they intend to help, as their workforce, to then provide commercial/business value to their clients. In doing so, they appear to be operating under what organizational theorists have termed ‘dual institutional logics’ (e.g. Besharov & Smith, 2012; Pache & Santos, 2013), in this case both social and commercial value logics (Besharov & Smith, 2012).

Indeed, early work on impact sourcing highlights such innovative sourcing delivery models, for example, innovatively locating service delivery centres in rural areas or among indigenous communities to simultaneously capitalize on lower costs and to bring development in those populations (Lacity et al., 2010; Lacity et al., 2011; Lacity et al., 2014; Sandeep & Ravishankar, 2015a) and, similarly, innovating in modularization and disintegration of business service tasks so that they can be distributed cost effectively and accomplished by relatively lower skilled marginalized workers (e.g. Samasource and Digital Divide Data, Heeks, 2013; Heeks & Arun, 2010). Other models recently examined in case studies bring positive social impacts among impoverished communities, disenfranchised women and prisoners, among others (e.g. Heeks & Arun, 2010; Gino & Staats, 2012; Lacity et al., 2014). Interestingly, the impact sourcing ventures profiled and studied across this literature span from for profit to not for profit and from state supported to state sanctioned. Yet, they appear to be tied together in their efforts to bring about social value by following and operating under social and commercial logics to one extent or another.

That is, in putting forth their dual value propositions through innovative sourcing delivery models (Sandeep & Ravishankar, 2015b), they contend with demands, often competing, from both social and commercial/market institutional logics (Besharov & Smith, 2012). Irrespective of the extent to which such ventures follow one logic vs. another and the extent to which they endeavour social vs. commercial value propositions, industry reports suggest that impact sourcing efforts may use as many as 561,000 people and may generate as much as $20bn worldwide (Accenture, 2012; Avasant/Rockefeller-Foundation, 2012; Verma, 2014). Further, scholars generally agree that such sourcing delivery models could make much needed contributions in the service of marginalized populations (e.g. Heeks & Arun, 2010; Heeks, 2013; Carmel et al., 2014).

\(^1\)We use the term ‘impact sourcing’ to broadly include other terms such as social sourcing and rural sourcing, among others (e.g. Carmel et al., 2014; Heeks, 2013; Madon & Sharanappa, 2013).
Given this potential, senior scholars have called for papers that can help conceptualize impact sourcing in the interest of more systematic and integrative inquiries into this emerging phenomenon (Nicholson et al., 2014). Specifically, extant literature acknowledges the dual value orientations of impact sourcing service providers (e.g. Heeks, 2013; Sandeep & Ravishankar, 2015b). However, the entrepreneurship and innovation dimensions (e.g. mission, criteria for success, etc.) across which these ventures must contend with their dual social vs. commercial orientations have not been clearly identified and developed in the literature. Further, the manner in which the dual orientations (social and commercial logics) manifest themselves across these dimensions remains unaddressed. It is also unclear whether impact sourcing providers invariably follow a social logic or a commercial logic or strategically pick and choose between logics across dimensions, as recent work on hybrid organizations suggests (Pache & Santos, 2013). Unfortunately, current literature lacks integrative conceptual frameworks to capture both the entrepreneurship/innovation dimensions of impact sourcing providers as well as any inherent variability in their orientation towards social or commercial logics.

We address this gap by developing a conceptual framework that identifies and develops four dimensions – primary mission, criteria for success, resource mobilization and innovation approach – that characterize such entrepreneurial ventures and juxtaposes these dimensions along a continuum of social vs. commercial institutional logics. We do so by integrating literature on social entrepreneurship, commercial entrepreneurship and the institutional logics that characterize their ideal types. This gap is important to address as identification of such dimensions and elaboration of variation in the extent to which ventures follow social vs. commercial logics across these dimensions should enable future research on important questions such as impact sourcing service provider selection by client firms, broader adoption of impact sourcing as a viable sourcing strategy among global sourcing clients and the ability of impact sourcing service providers to sustainably deliver on their dual value promises (Heeks & Arun, 2010; Heeks, 2013; Nicholson et al., 2014), to list a few.

The purpose of this paper is to present our framework and evaluate its utility by assessing a US-based impact sourcing start-up by using the framework. In doing so, we address the following broad research questions. First, related to our goal of developing a conceptual framework: What entrepreneurship dimensions characterize entrepreneurial impact sourcing providers? What are the ideal types of social and commercial logics that anchor these dimensions? Second, related to assessing the utility of our framework: To what extent do entrepreneurial impact sourcing providers operate within each logic?

The start-up we studied shows a rich profile of both social and commercial institutional logics. We observed an interesting pattern of selective use and extent of different logics as opposed to a monolithic social or commercial stance – thus lending credence to our framework. We discuss our framework and its evaluation in light of recent impact sourcing scholarship and address how scholars may assess impact sourcing providers by using our framework. While we do not link the dimensions to any outcomes in this paper, we also provide suggestions for research that could link variability among firms to outcomes of interest to global sourcing research and practice. We then list our contributions prior to concluding. In the next section, we examine and integrate the aforementioned literatures in fair depth to develop our conceptual framework.
BACKGROUND AND CONCEPTUAL FRAMEWORK DEVELOPMENT

Thornton & Ocasio (1999) define institutional logics as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality (p. 804).” They argue that institutional logics thus provide a link between socially constructed institutional practices and rule structures and cognition and agency of actors (Thornton & Ocasio, 1999; Thornton et al., 2012). Scholars agree that institutional logics may exist at multiple levels such as societal level, individual level and organizational levels (Besharov & Smith, 2014). At the organizational level (focus of this paper), it is well understood that organizations often face multiple logics that could be complementary and in some cases conflicting (Thornton et al., 2012; Besharov & Smith, 2014). This is especially observed in organizations that have both commercial and social value orientations where such organizations must navigate and contend with both social logics and commercial logics (Dacin et al., 2011; Pache & Santos, 2013; Battilana et al., 2014).

As indicated in the previous section, entrepreneurial outsourcing service providers profiled in the emerging literature on outsourcing with social implications (e.g. Lacity et al., 2012; Carmel et al., 2014; Sandeep & Ravishankar, 2015a) appear to similarly embody dual commercial/social value orientations (Heeks, 2013) and also to similarly be shaped by, and in turn shape, the dual social/commercial institutional logics. In the following sections, we build upon this intuition to explicitly anchor the dual social and commercial logic ideal types (Thornton & Ocasio, 1999; Thornton et al., 2012) across four entrepreneurship/innovation dimensions and draw upon these literatures in an attempt to decipher how the two logics vary across these dimensions. Our framework thus addresses calls for more meaningful characterizations of emerging sourcing delivery models under the umbrella term of ‘impact sourcing’ (Nicholson et al., 2014) and allows for more explicit theory development and testing. That is, scholars may build upon our framework by relating variability in the ideal types across dimensions to dependent variables of interest in outsourcing research.

Entrepreneurship and social vs. commercial institutional logics

Entrepreneurship, broadly considered as identification and exploitation of opportunities within existing firms or accompanied by creation of new organizations (e.g. Gartner, 1985; Shane & Venkataraman, 2000), and innovation, in general a new product or service, a new process technology, a new business model, a new organizational form and so on (Snow, 2007), have long been considered to be key drivers of economic progress (Schumpeter, 1934; Low & MacMillan, 1988; Hitt et al., 2001). While their significance for creation of economic value is clear, entrepreneurship and innovation with an embedded social purpose have also received significant attention (Dees, 2001; Dees et al., 2004; Schendel & Hitt, 2007).

Early research focused primarily on not for profits (Dees, 2001; Alvord et al., 2004; Peredo & McLean, 2006). Attention gravitated towards establishing the meaning of social entrepreneurship (Dees, 2001) and delineating and critically evaluating its boundaries (Peredo & McLean, 2006). However, research moved beyond a focus on not-for-profit and public firms to include...
dual value-oriented firms where the for-profit goals are of primacy but creation of social value is also important (Austin et al., 2006; Peredo & McLean, 2006).

Overall, similar to earlier debates on ‘What is entrepreneurship?’ (e.g. Shane &Venkataraman, 2000; Gartner, 2001), the essence of ‘What is social entrepreneurship?’ has been a matter of much contention (e.g. Dees, 2001; Peredo & McLean, 2006; Zahra et al., 2009; Dacin et al., 2010; Dacin et al., 2011; Choi & Majumdar, 2014). As Nicholls (2010) aptly suggests, it has almost become axiomatic that scholars point out a lack of consensus on what social entrepreneurship means. Nevertheless, a few key dimensions emerge, even in the apparently divergent set of views, that set social and commercial entrepreneurship apart, at least their ideal types (e.g. Austin et al., 2006; Van de Ven et al., 2007). Table 1 identifies these key dimensions as emerging from a representative body of work that has examined the important differences between social and commercial entrepreneurship. As Table 1 indicates, literature on social vs. commercial entrepreneurship could be broadly categorized across the dimensions of primary mission, criteria of success, resource mobilization, innovation approach and entrepreneur (individual-level) characteristics. In this study, we focus on the first four and exclude individual-level characteristics due to considerable skepticism and disagreements about whether individual-level characteristics of entrepreneurs differentiate social and commercial entrepreneurship (e.g. Light, 2006; Mair & Marti, 2006; Van de Ven et al., 2007; Light, 2009; Dacin et al., 2010).

We next elaborate on the literature for these four dimensions to explicitly anchor them in the ideal types of social and commercial logics. We summarize the conceptual framework based on this literature in Table 2.

The primary mission
The fundamental mission of social entrepreneurship is to create social value geared towards the common/public good, while commercial entrepreneurship endeavours for maximizing personal and shareholder wealth and is primarily focused on economic value (Dees, 2001; Austin et al., 2006; Mair & Marti, 2006). The consensus on the mission being a key differentiating factor between social and commercial entrepreneurship has emerged after considerable discourse (Dacin et al., 2011).

Early conceptualizations limited social entrepreneurship exclusively as a domain of not-for-profit and public organizations (Reis & Clohesy, 1999; Dees, 2001; Dees et al., 2002; Peredo & McLean, 2006). Such not-for-profit contexts included organizations aiming to deliver social good without any form of exchange of a product or service, i.e. with no ‘earned income’, and organizations that rely on income-generating ventures to combine not-for-profit and for-profit organizational features (i.e. hybrid forms) to serve an exclusively social purpose (Anderson & Dees, 2002; Peredo & McLean, 2006). In fact, an early analysis of the use of the term ‘social entrepreneurship’ in print publications over a 15-year period concluded that social entrepreneurship is a predominantly not-for-profit phenomenon (Taylor et al., 2000).

2Please see Austin et al. (2006), Mair & Marti (2006), Short et al. (2009), Dacin et al. (2010), Nicholls (2010) and Choi & Majumdar (2014) for debates on meaning of social entrepreneurship vis-à-vis commercial entrepreneurship.
<table>
<thead>
<tr>
<th>Concepts discussed in social vs. commercial entrepreneurship literature (terms/phrases used in representative studies)</th>
<th>Representative studies</th>
<th>Identified dimension*</th>
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<td><strong>Primary goals/motives</strong></td>
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<td><strong>Motives of social entrepreneurship as a continuum</strong></td>
<td>Nicholls (2010) Van de Ven et al. (2007)</td>
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<td>…pursuit of self and collective interests…</td>
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<tr>
<td><strong>Performance measurement</strong></td>
<td>Austin et al. (2006) Nicholls (2010)</td>
<td>Success criteria</td>
</tr>
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<td><strong>Business like…</strong></td>
<td>Dacin et al. (2010)</td>
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<td>…assessment…blended value proposition…</td>
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<td><strong>Social value creation</strong></td>
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<td><strong>Process of combining resources to create social value</strong></td>
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<td><strong>Resource mobilization</strong></td>
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<td><strong>Processes/resources</strong></td>
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<td>… exploit opportunities… in an innovative manner</td>
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<td><strong>Social innovation</strong></td>
<td>Renko (2013)</td>
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<td>…locus of novelty (innovation)... novelty of market offering…</td>
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<td><strong>Entrepreneur (individual-level) characteristics</strong></td>
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<td><strong>Hero entrepreneur narrative logic of social entrepreneurship</strong></td>
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<td><strong>Acceptance of greater risk in social ventures</strong></td>
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<td>Social entrepreneurs make deliberate decisions to attack social problems…driven by persistent… optimism...</td>
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*First four dimensions highlighted in bold used in the conceptual framework.
<table>
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<th>Dimension (key references)</th>
<th>Social logic</th>
<th>Commercial logic</th>
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<tr>
<td><strong>The primary mission</strong> (Austin et al., 2006; Dees, 2001; Mair &amp; Marti, 2006; Zahra et al., 2009; Dacin et al., 2011)</td>
<td><em>Creation of social value is the primary mission</em>&lt;br&gt;Creation of social value is the primary mission. Economic wealth (e.g. earned income in not for profits) just a means to ‘social ends’</td>
<td><em>Creation of economic value is the primary mission</em>&lt;br&gt;Creation of economic value is the primary mission. Social value may be a by-product of economic pursuits. Philanthropic and socially responsible initiatives outside the boundaries of social entrepreneurship</td>
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<td><strong>Success criteria</strong> (Austin et al., 2006; Dees, 2001; Dees et al., 2004; Emerson, 2003; Heeks &amp; Arun, 2010; Busenitz et al., 2003; Ireland &amp; Webb, 2007; McDonald, 2007)</td>
<td><em>Social mission-related impacts are primary criteria</em>&lt;br&gt;Social mission-related impacts are primary criteria. Could lose on economic front but still create social value. Performance is relatively difficult to ascertain and often subjective, intangible and non-quantifiable. The number and variety of stakeholders make assessments complicated.</td>
<td><em>Wealth creation and maximization are primary criteria</em>&lt;br&gt;Wealth creation and maximization are primary criteria. Losing on economic front is clear failure irrespective of any social value. Relatively easier to ascertain, often more tangible (e.g. financial performance, market share, customer satisfaction, venture survival and growth, etc.).</td>
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<td><strong>Resource mobilization</strong> (Austin et al., 2006; Haugh, 2007; Sharir &amp; Lerner, 2006; Drucker, 1989; Alvord et al., 2004)</td>
<td><em>Resources are mobilized through non-traditional sources</em>&lt;br&gt;Resources are mobilized through non-traditional sources. Often rely on philanthropic and government sources. Typical sources of funding not easily available. Face precarious situations during start-up phase. May adopt earned-income strategies to supplement existing funding sources. Little to no flexibility in modifying services, or markets, etc., due to rigidities imposed by mission. Human capital is difficult to attract and retain, as compensation is not as competitive. Volunteers and employees are attracted with non-financial incentives, e.g. the mission itself.</td>
<td><em>Resources are mobilized through traditional sources</em>&lt;br&gt;Resources are mobilized through traditional sources. May have access to venture capital and commercial loans once viability is demonstrated. Friends, family and angel investors are often initial source of funding. Relatively high flexibility in changing products, services, markets, etc., to satisfy funders’ requirements. Often are able to recruit talent competitively, especially in later stages of firm life cycle</td>
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<tr>
<td><strong>Innovation approach</strong> (Schumpeter, 1934; Drucker, 1985; Austin et al., 2006; Dees, 2001; Mair &amp; Marti, 2006; Short et al., 2009; Zahra et al., 2009)</td>
<td><em>Innovations are oriented towards social value</em>&lt;br&gt;Innovations are oriented towards social value. Innovation could be in resource mobilization, service delivery, marketing efforts, service location, garnering support from government and other stakeholders and overall social value creation. Social value creating activities need to be innovative, as maintained by those within the ‘social innovation’ school of thought. Organizational mission may drive innovation and a culture conducive to innovation.</td>
<td><em>Innovations are oriented towards commercial value</em>&lt;br&gt;Innovations are oriented towards commercial value. Innovation in addressing opportunities to create commercial value such as new products and services, process innovation for efficiency and effectiveness. Innovation could be a tool or itself the essence of entrepreneurship, i.e. without innovation, there is no entrepreneurship</td>
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</table>
However, others argued that social entrepreneurship may not be limited to the not-for-profit organizational form (e.g. Boschee, 1995; Dees & Anderson, 2003). The idea of social purpose commercial ventures also falls within the realm of social entrepreneurship. For example, Margaret Cossette took her small not-for-profit venture, which aimed to provide home care for rural seniors, and reinvented it as a for-profit venture, *Missouri Home Care* (Peredo & McLean, 2006). This reinvention initially helped Cossette to secure bank credit to dramatically expand the services. Her company became a profitable venture with thousands of clients and several million dollars in revenue, while providing jobs for home care aides and helping senior citizens in rural areas (Boschee, 1995; Peredo & McLean, 2006).

Later, scholars began to question the dichotomy of for profit vs. not for profit itself as a differentiating factor between social and commercial entrepreneurship and instead highlighted the relative importance or priority given to social wealth creation vs. economic wealth creation goals (Austin et al., 2006; Mair & Marti, 2006; Peredo & McLean, 2006). Within this broader view, the organizational form (e.g. not for profit, public, for profit, etc.) does not matter as much as the primary mission. The primary mission in social entrepreneurship is creation of ‘social wealth’, while economic value creation such as earned income maybe necessary to ensure sustainability of the social initiative and financial self-sufficiency (Mair & Marti, 2006). This portrayal of social entrepreneurship, however, comes with the acknowledgement that commercial entrepreneurship is not without its own social impacts. While the profit motive is central to commercial entrepreneurship, it does benefit society by creation of new and valuable goods, services and jobs, thereby having transformative social impacts (Austin et al., 2006; Mair & Marti, 2006).

Nevertheless, commercial entrepreneurship is distinct from social entrepreneurship in that its primary focus is on economic value creation. Similarly, socially responsible initiatives within business organizations that fall under the general rubric of ‘corporate social responsibility’ may not entirely fit the bill for social entrepreneurship. For example, Kotler & Lee (2004) suggest that concepts such as *cause marketing*, *cause-related marketing*, *cause branding*, *corporate philanthropy*, *community volunteering* and *socially responsible business practices* (discretionary activities, such as the use of recycled and reduced packaging, or efforts towards ‘Green IT’, etc.) are generally designed to align corporate conduct with a perceived social good (Kotler & Lee, 2004, pp. 16–18). That is, organizations may clearly have significant social impacts but do not have to be primarily social value oriented and may not always be entrepreneurial (e.g. starting a new venture or engaging in social value-oriented innovation, Mair & Marti, 2006). Hence, such philanthropic endeavours or socially responsible activities by for-profit firms would generally lie outside the boundaries of social entrepreneurship (Zahra et al., 2009).

**Success criteria**

In line with their primary missions, social mission-related impact is the primary criterion for success in social entrepreneurship – wealth may “just be a means to an end for social entrepreneurs” (Dees, 2001 p. 3). However, in comparison with relatively straightforward and often tangible indicators of performance of commercial entrepreneurship (e.g. financial performance, market share, customer satisfaction, quality, venture survival, venture growth, etc.) (Busenitz
et al., 2003; Ireland & Webb, 2007), the primacy of social purpose in the context of social entrepreneurship creates significant challenges for measuring performance (Austin et al., 2006). Indeed, scholars have observed that assessing social performance and impact remains one of the greatest challenges for practitioners and researchers (Mair & Marti, 2006; Heeks & Arun, 2010), and most elements of social value escape measurement and quantification (Emerson, 2003). Further, an often varied mix of both financial and non-financial stakeholders and their potentially different expectations make it even more difficult to clearly define success criteria (Kanter & Summers, 1987). Nevertheless, some empirical studies have used indicators such as the number of innovations created, type of assistance provided by local governments to social ventures and number of jobs created, to operationalize the social impacts ( Harding, 2004; Korosec & Berman, 2006; McDonald, 2007). Heeks & Arun (2010) examined the impacts of social outsourcing on women workers providing IT services, in terms of five areas of livelihood assets – financial, human, physical, social and human capital.

**Resource mobilization**

Given the typical restrictions on surpluses generated by social entrepreneurial endeavours and the surrounding uncertainty behind the results, social entrepreneurs may not have the ability to tap into the same capital markets as commercial entrepreneurs. Additionally, social entrepreneurial ventures typically may not have the ability to attract human capital in the same way (e.g. competitive compensation packages) as commercial entrepreneurs (Austin et al., 2006). At the outset, the financial and human capital inputs required are quite similar for social and commercial entrepreneurship as both entail consideration of funding sources, employees and managers and other organizations critical to their success (Austin et al., 2006). However, what sources of capital are available and how capital is acquired could differ significantly. For example, commercial entrepreneurs are typically able to tap into friends, family and angel investors for start-up capital. Once viability is demonstrated, they may even have access to venture capital, bank loans and other instruments of credit (Austin et al., 2006). Further, they typically possess high flexibility in altering their original products and services and sometimes the entire business plans to satisfy funders with respect to the viability of the ventures. Social entrepreneurs on the other hand rarely have access to such sources of capital and often struggle during the start-up phase (Sharir & Lerner, 2006). Even when they adopt a for-profit business model to circumvent funding issues, they do not share the same flexibility in modifying their business models and offerings due to their inherent ties to the primary social mission (Austin et al., 2006).

Similarly, access to human capital among social entrepreneurs is difficult as they typically cannot provide market rates and incentives such as stock options to competitively recruit the best talent (Dees, 2001). Instead, they often have to rely on volunteers and non-monetary incentives to attract human capital (Drucker, 1989). Despite challenges, social entrepreneurs have been deemed to persist in their social missions without being limited by the resources in hand (Dees, 2001) and adopt creative ways towards resource mobilization. For example, in a comparative analysis of seven cases of successful social entrepreneurship, Alvord et al. (2004) observe that given the typical resource constraints, social entrepreneurs often innovatively build upon and utilize the existing resources and assets of the very marginalized groups.
they seek to help. They also build a large network of supporters by rallying them behind the venture's social mission to garner resources outside the organizational boundaries and by building and managing a diverse set of relationships with resource holders such as funders, potential employees and volunteers.

Finally, some social entrepreneurs may have access to resources that typically are not available to commercial entrepreneurs such as donations and explicit government support (Haugh, 2007). They often partner with other not-for-profit, for-profit and governmental organizations to obtain necessary resources. Further, they might also be inclined to reach out to competitors in their professional/mission space and participate in sector-wide resource pooling, knowledge sharing and collective campaigns towards raising awareness about the broader social issue (Austin et al., 2006).

Having discussed the dimensions of primary mission, success criteria and resource mobilization of entrepreneurial firms in terms of the ideal types of social vs. commercial logics, we next consider innovation approach as our final dimension given its crucial and endemic role in both social and commercial entrepreneurship (Drucker, 1985; Mair & Marti, 2006).

Innovation approach

Creation of value through innovation has long been a key theme in the commercial entrepreneurship literature. In some prominent views, entrepreneurship and innovation are almost considered to be synonymous, i.e. without innovation, there is no entrepreneurship (Schumpeter, 1934). Some others have considered innovation to be the specific tool that entrepreneurs use to reconfigure resources and to create novel value (Drucker, 1985). This focus on innovation is similar to the rather high importance placed on innovation within the social entrepreneurship literature. Common across a variety of definitions and conceptualizations of social entrepreneurship is the idea that the social value creating activities need to be innovative, in that there is creation or recombination of something new rather than simple replication of something existing (Reis & Clohesy, 1999; Dees, 2001; Austin et al., 2006; Mair & Marti, 2006; Mair & Marti, 2009; Short et al., 2009; Zahra et al., 2009). In fact, innovation is so prominent within the social entrepreneurship literature that a school of thought termed the ‘social innovation tradition’ has emerged within social entrepreneurship (Nicholls, 2010).

Empirical research on innovation as a means of social value creation has been limited. Exceptions include Alvord et al.’s (2004) study that focused on the nature of innovations carried out by seven successful social entrepreneurship organizations. Alvord et al. (2004) observed that not all development work requires social entrepreneurship, and in many cases, replication or expansion of existing services is sufficient. However, there are instances when resources or capacities to duplicate existing services for underprivileged groups are not available. When this is the case, creative initiatives are often required to reconfigure existing resources. That is, an innovative approach to social entrepreneurship is necessary. Their study reports three basic patterns on the characteristics of innovations across the seven cases: (1) undaunted with resource constraints social entrepreneurs often innovated by aiming to build and leverage the existing resources and capabilities of the marginalized groups, the assumption being that marginalized groups may solve many of their own problems given the right catalysts; (2) providing and disseminating ‘packages’ of innovations that serve
a widely distributed need, the assumption here being that knowledge and technical resources could be packaged in a user-friendly form that can then be made available to wider marginalized populations; and (3) building a movement that mobilizes grassroots alliances to challenge abusive elites or institutions so that by increasing the political voice of marginalized groups, there is a better chance of changing their plight (Alvord et al., 2004).

Similarly, by using grounded theory methods and drawing on nine in-depth case studies of social entrepreneurial not-for-profit organizations in Australia, Weerawardena & Mort (2006) found that the increasingly competitive environment seems to have forced the not for profits in their sample to place great emphasis on innovation in all their social value creating activities. They report that all organizations studied considered themselves to be innovative in a variety of ways such as marketing campaigns, fundraising, influencing governments and in delivering services to their constituents.

In another study focusing on innovations within the not-for-profit sector, McDonald (2007) discusses two not-for-profit hospitals in the USA and the role of the organizations’ mission in the innovation process. The findings indicate that clear and motivating organizational missions helped these hospitals to focus on innovations that will most likely support the broader mission, and such missions were also related to an organizational climate conducive to innovation. McDonald (2007) concludes that not for profits with clear, motivating missions tend to be more innovative.

In summary, based on the aforementioned literature, we anchored four key dimensions of entrepreneurship within the ideal types of social logics and commercial logics (Thornton & Ocasio, 1999; Thornton et al., 2012) into an integrative framework summarized in Table 2. In order to evaluate the utility of our framework, we assess a start-up impact sourcing service provider through this framework as discussed next.

**METHODS**

In line with the study purpose, we demonstrate the value of the conceptual framework developed in the preceding texts by using it to analyze a business process outsourcing (BPO) service provider firm, *Liberty Source*. Specifically, we examine the firm across the four dimensions listed in Table 2 and place it on a social to commercial logic continuum for each dimension, based on the analytical strategy and data described below.

**Research setting**

This study explores an American firm, *Liberty Source*, a BPO provider founded in 2014, just months before our data collection. The firm was designed to economically compete with India’s BPO capabilities. The key challenge it faced was to find an inexpensive yet highly motivated workforce that would benefit from BPO training and employment.

*Liberty Source* found that ideal workforce among the large population of US military spouses and veterans. Within the US context, this workforce is often disadvantaged/underserved. Military spouses have higher unemployment rates than civilian spouses because military
families relocate frequently. One study, for example, found that relocation of husbands in the military was associated with a 6% increase in unemployment for military wives (Cooke & Speirs, 2005). Military spouses who are employed often work in jobs that under-utilize their skills, and they are paid lower wages than civilians working in similar positions.

Liberty Source was founded as a ‘public benefit corporation’ (a for-profit firm with a social mission). While for profit, Liberty Source is wholly owned by the not-for-profit Digital Data Divide known for providing business process services utilizing underserved populations. Liberty Source’s website states that its primary mission is to launch and sustain careers of members of the military community, especially military spouses, through ‘building a viable, commercial onshore business process services offering and locating our operations in military communities’.4

The firm is located in Fort Monroe, Virginia, surrounded by a cluster of the US Navy’s largest bases, with tens of thousands of military personnel. The firm’s managers spoke of plans to expand into other military communities across the USA, but they also aim to use technology for virtual work as military families relocate to other bases. Within a few months of founding, Liberty Source had hired approximately 100 employees to fulfill its first major business service contract from AOL. At the time of data collection, approximately 70 employees had military affiliations and 83 were female.

Data collection

Data used here to map Liberty Source on our framework are a subset of data collected during a broader case study (Lacity et al., 2016) on impact sourcing and came from multiple sources. During the broader data collection stage, we conducted 15 interviews with the leadership team and employees. Two interviews occurred off-site in February and 13 interviews occurred on-site in March 2015. All interviews were voice recorded and transcribed and lasted between 30 min and 1 h. Two of the authors were given a detailed tour of the Liberty Source facilities. The site visit allowed us to get a deeper sense of the culture and symbols within the organization. We also collected documents (approximately 100 pages) from public sources, such as press releases, annual reports of Liberty Source’s parent Digital Data Divide and the content pages from the Liberty Source and Digital Data Divide websites. We were given access to over a dozen internal documents by the CEO of Liberty Source, such as documents explaining the types of work performed by employees and power point presentations delivered to clients and employees. From this larger data collection, we only needed to use a subset of primary and secondary data in this paper. Specially, we used press releases issued by the Governor of Virginia and AOL (two releases) and media coverage (six newspaper articles) and examined rules/expectations of public benefit corporations through various online sources. We also used interview data from four members of the senior leadership team (including the founder) and one

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3US military spouses numbered 710 000 people in 2012. All of these sources document the unique challenges facing military families: http://www.deploymentpsych.org/content/unique-challenges-military-families; http://www.rand.org/pubs/monographs/MG196.html; http://www.rand.org/content/dam/rand/pubs/monographs/2004/RAND_MG196.pdf

military spouse. Appendix A further describes Liberty Source and summarizes the subset of data used to map Liberty Source to the framework.

Data analysis

Having identified the dimensions that characterize the social and commercial logic ideal types based on an in-depth review of the literature, our analytic goal was to attempt to place Liberty Source within this framework. The analytic strategy we followed was to iteratively delve into our data to characterize Liberty Source across the four dimensions developed in Table 2 on a continuum of social to commercial logics (Austin et al., 2006; Peredo & McLean, 2006; Heeks & Arun, 2010; Heeks, 2013).

We started by carefully reading all data sources (news articles, internal documents, interview transcriptions, etc.) in our case database to create a case history that provided us with a timeline of events as they transpired and also the cognitive bases underlying the actions taken by Liberty Source that led to those events. Second, we read through the data once more but this time attempting to find patterns and evidence that could be categorized as pertaining to the four dimensions. For example, we went through our entire case database first looking for anything that pertained to the stated mission of the organization or how the organization was positioning itself in terms of its primary mission. This allowed us to categorize data relevant to assessing the first dimension, primary mission, in our framework. We marked all data relevant to our first dimension such as the organization’s mission statement available on their website and sections of news articles where organizational mission was apparent. We then analyzed these data to carefully assess how the organization’s primary mission could be mapped into the social–commercial logic continuum by comparing patterns in the data to the ideal types of social and commercial logics as presented in our framework (Table 2). The Results section provides the evidence used in our mappings.

We followed a similar approach for the other three dimensions. In doing so, we were able to categorize multiple evidence sources for each assessment in order to triangulate the indicators for ensuring internal consistency. We discuss our characterization of Liberty Source per this framework in light of recent literature on impact sourcing (Heeks & Arun, 2010; Lacity et al., 2012; Heeks, 2013; Madon & Sharanappa, 2013; Carmel et al., 2014; Sandeep & Ravishankar, 2015a) as well as broader literatures on entrepreneurship and outsourcing following the results.

Results

Figure 1 presents the results of our analyses. Shaded boxes indicate the four dimensions of (1) primary mission; (2) success criteria; (3) resource mobilization; and (4) innovation, placed on a continuum of social logic on one end and commercial logic on the other. Each box is immediately followed by the criteria we used to assess the dimension on the logic continuum and the evidence sources we used in our assessment. The end result is an evidence-based mapping of the extent to which Liberty Source espouses operating within each logic for the four dimensions in our conceptual framework.
### Primary Mission

Our analyses of Liberty Source’s stated mission statement (and other content areas on their web site) and interview transcripts revealed two themes that suggest that Liberty Source’s primary mission lies within the social logic. First, while Liberty Source presents itself as a viable commercial enterprise providing BPO services, its mission states that it is ‘... dedicated to launching and sustaining the careers of members of the military community with a focus on military spouses’. It aims to help unemployed or underemployed military spouses ‘get on the first rung of the career ladder’. Interviews with the founder of Liberty Source and its CEO suggest that they see a great need for such initiatives within the military community.

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### Results of Mapping Liberty Source within our Conceptual Framework

<table>
<thead>
<tr>
<th>Social Logic</th>
<th>Commercial Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Mission</strong></td>
<td></td>
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<tr>
<td><strong>Assessed Using:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Stated Mission</td>
<td></td>
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<tr>
<td>2. Organizational Messaging on Social Impacts</td>
<td></td>
</tr>
<tr>
<td><strong>Evidence Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>2. Content analysis of various sections of website that connote a focus on “bringing jobs back home”</td>
<td></td>
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<tr>
<td>3. Content analysis of News articles</td>
<td></td>
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<tr>
<td><strong>Criteria for Success</strong></td>
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<td></td>
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<tr>
<td><strong>Resource Mobilization</strong></td>
<td></td>
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<tr>
<td><strong>Assessed Using:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Breakdown of Sources of Startup Financial Capital</td>
<td></td>
</tr>
<tr>
<td>2. Approach to recruiting talent (Social Mission based vs. Market compensation based)</td>
<td></td>
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<tr>
<td><strong>Evidence Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Interview with founder</td>
<td></td>
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<tr>
<td>2. Content analysis of news articles on Liberty Source</td>
<td></td>
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<tr>
<td><strong>Approach to Innovation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Assessed Using:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Locus of Innovation (commercial value oriented vs. social value oriented)</td>
<td></td>
</tr>
<tr>
<td>2. Innovativeness of Approach to Business Services delivery (Location, delivery model, workforce, technology)</td>
<td></td>
</tr>
<tr>
<td><strong>Evidence Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Content analysis of web content that demonstrates innovative approaches within both commercial and social realms</td>
<td></td>
</tr>
<tr>
<td>2. Interview with Director, Operational Excellence</td>
<td></td>
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<tr>
<td>3. Content analysis of news articles on Liberty Source</td>
<td></td>
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</tbody>
</table>

Figure 1. Results of mapping Liberty Source within our conceptual framework. [Colour figure can be viewed at wileyonlinelibrary.com]

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A second underlying theme appears to be Liberty Source’s focus on ‘bringing jobs back home’. This is a recurring theme within their messaging that once offshored jobs could now be returned back to the USA and help alleviate what some consider negative impacts on domestic workforce of the growth in offshoring of business services (Khan & Lacity, 2014). Indeed, Liberty Source helped AOL successfully bring previously offshored finance and accounting services back to the USA.

Success criteria

“More than anything else, we aim to be a viable commercial enterprise, because without that, we can’t compete.” – Kops, Chair of the BOD and Founder of Liberty Source

While operating within the social logic in terms of its mission, Liberty Source appears to be following a commercial logic in terms of criteria for success. A recurring theme in our data relevant to this dimension is that the organization presents itself as a viable commercial entity that can deliver business process services to its clients in a competitive manner. In other words, the firm appears to place great emphasis on first and foremost being able to provide quality services that meet or exceed industry standards in a commercially viable fashion and provide the added value to its clients that by engaging Liberty Source, the clients are also helping make a difference. This theme is captured well in a press release issued by AOL in which Cynthia Gallagher, the then Deputy Controller for AOL, comments, “While our decision to enter into any business relationship is predicated upon good business sense, the fact that our partnership with Liberty Source allows us to engage with, and give back, to the military community that has served so selflessly is a benefit that can’t be ignored.”

Indeed, Liberty Source was able sign a 3-year contract with AOL (its flagship client) in June of 2014 based on full-time equivalent pricing and about 100 service-level agreements (SLAs). Interviews indicate that the services Liberty Source would offer and the SLAs under which it would do so were very similar to those of AOL’s former offshore service provider (a large commercial entity based out of India). Liberty Source measures performance based on these SLAs as indicated by its Director of Operational Excellence: “…and so there is a red, green, yellow coding that we use. So we have expected targets and minimum targets. So anything which is expected or above the target, we have green. Anything between expected ad minimum, we are yellow. Anything below minimum is red.”

Resource mobilization

“We are a for-profit owned by a not-for-profit. We are willing to accept help from organizations that share our vision around helping empower spouses. We can go out and ask for resources we couldn’t get otherwise.” – Kops, Chair of the BOD and Founder of Liberty Source

Our analyses of interview transcripts with the founder and chair of Liberty Source, news reports and web content suggest that Liberty Source’ approach to garnering start-up capital and resources lies more towards the social logic as described in Table 2. Despite having strong business outcome-oriented focus in terms of criteria for success, our data suggest that when it comes to mobilizing resources, Liberty Source followed the social logic. Having initially tried to procure conventional venture capital, Liberty Source’s main credit
line comes\(^5\) from Rockefeller Social Finance, a not-for-profit engaged in financing social enterprises.\(^6\) Further, Liberty Source successfully recruited and built support from other stakeholders that shared their mission – a hallmark of firms operating in the social logics (Alvord et al., 2004).

A November 2014, news report from the Daily Press\(^7\) suggests that the Liberty Source “is receiving more than $1 million in incentives, including $300,000 from the Governor’s Opportunity Fund, $417,200 from the Virginia Jobs Investment Program, $150,000 in rent reduction from the Fort Monroe Authority and $150,000 from Hampton. The company is working with Thomas Nelson and Tidewater community colleges for employee training, including with recognizable certification programs such as Six Sigma, SAP and Salesforce.com”. Liberty Source innovatively engaged its workforce by rallying them towards their social mission (Drucker, 1985; Drucker, 1989) as well as by actually gearing their mission itself towards improving the lives of their target workforce.

In addition, Liberty Source capitalized on its not-for-profit parent company’s connections to obtain further resources and support. For example, it drew on the philanthropic involvement of Cisco Corporation with Digital Data Divide to obtain help with data networking and other IT infrastructure equipment. Thus, it appears that Liberty Source was not able to draw on traditionally commercial sources for resource mobilization. Instead, it successfully obtained support from a variety of sources not readily available to purely commercial enterprises (at least relatively). From rent reduction to job creation/economic development incentives to support for training of staff from multiple organizations, we observed a fitting example of entrepreneurial bricolage (Baker & Nelson, 2005) except in this case primarily within the social logic (Desa, 2012).

**Innovation approach**

Our analyses reveal rich and interesting patterns of innovation across Liberty Source, both in a strategic sense as well as in an operational sense, with glimpses of both commercial and social logics. In addition to the fairly innovative approach to resource mobilization discussed in the preceding texts, we observed innovative approaches to delivering both economic value and social value. Following a commercial logic, the sourcing provider attempts to address many of the well-known issues with traditional offshore outsourcing of IT and business services such as lack of cultural compatibility and time zone differences (Iacovou & Nakatsu, 2008), hidden transaction costs that erode cost savings (Dibbern et al., 2008) and negative connotations of offshoring (Khan & Lacity, 2014). It does so by effectively providing an ‘onshore’ alternative workforce that allows Liberty Source to alleviate many of the previously mentioned issues in a cost-competitive fashion. The innovative twist in providing this onshore alternative was its approach to use members of the military families as its primary workforce. That is, by finding a workforce population that had no cultural barriers with American and other Western clients, was well educated, could easily be trained, is known for strong work ethics, etc., Liberty Source was able to offer better client outcomes in comparison with traditional offshore providers but do so in a cost-competitive fashion.

\(^5\) Data sources: http://liberty-source.com/about-us/partners/

\(^6\) RSF Social Finance, http://rsfsocialfinance.org/social-lending/

Following a social logic, Liberty Source attempts to address major issues faced by members of the military communities (especially military spouses) such as higher than US average unemployment and underemployment, lower relative wages compared with non-military spouses, lack of opportunities to work in fields that harness their education and abilities and lack of consistent employment due to frequent relocations (Harrell et al., 2004; Cooke & Speirs, 2005; Plantier & Durbard, 2007). The innovative twist in providing this hitherto marginalized population with opportunities for launching and sustaining their careers was Liberty Source’ approach that is “uniquely tailored to provide a working environment that responds to the needs of the military spouse…”, such as flexible work schedules, employee development and “[F]uture ‘follow you’ employment arrangements, harnessing technologies that allow spouses to continue to work when redeployed”. The potential for such social impact was evident in our interviews with employees at Liberty Source. For example, one military spouse with a Bachelor’s degree had only been able to find part-time work in retail or food service prior to Liberty Source. She summarized the reasons as “I have heard employers say, ‘Why even interview her? She’ll leave in three years.’” Another military spouse is quoted on the organization’s website regarding the importance of a flexible work schedule tailored to military spouses: “Even in government jobs, there is no flexibility. When my husband is working 20 hours a day, managing the household falls to me. To further my own career, I need a flexible work environment.”

In summary, Liberty Source appears to have followed a commercial logic in its approach to innovation by focusing on creating a better business process outsourcing service offering that alleviates traditional offshoring issues yet maintains cost competitiveness. On the other hand, it appears to have followed a social logic in its approach to innovation by focusing on creating a better work environment for military spouses. Interestingly, however, it is the combination of these two sets of innovative initiatives that come together in providing the dual value promise of Liberty Source as has been opined in the literature on impact sourcing (Heeks, 2013; Malik et al., 2013; Carmel et al., 2014). A promotional statement on the organization’s web site captures this dual value promise: “We’re obviously not your traditional business process service provider. We’re onshore. We get the culture. We have a workforce that lives the concept of service. We have a strong value proposition that just happens to have a social impact.”

DISCUSSION

In this article, we maintained that given the increased interest in the social and developmental impacts of outsourcing (Heeks, 2013; Nicholson et al., 2014) in general and impact sourcing in particular (Carmel et al., 2014), it would be beneficial to lay the groundwork for more systematic research in this area. We proposed a conceptual framework useful for deeper study of entrepreneurial impact sourcing service providers who not only offer economic value to their outsourcing clients but also create social value by engaging various marginalized populations in innovative ways to deliver outsourcing services to clients. We did so by integrating literatures on commercial entrepreneurship vs. social entrepreneurship (Austin et al., 2006; Mair & Marti, 2006; Dacin

Liberty Source Web Site, Careers section, http://liberty-source.com/careers/overview/
et al., 2011; Choi & Majumdar, 2014) with work on institutional logics (Thornton et al., 2012) to explicitly anchor the ideal types of a purely social value-oriented logic and a purely commercial value-oriented logic, across four dimensions that characterize entrepreneurial firms and their value orientations.

We contended that having such a literature-driven framework would then allow researchers to more systematically capture variation in what the ideal type logics dictate and what such firms propose to follow or actually do follow. We argued that given the very nature of their dual value propositions and innovative approaches to delivering such values, these organizations negotiate their missions, success criteria, resources and innovation approaches in complex and diverse configurations that defy simplistic characterizations (Pache & Santos, 2013). Indeed, our attempt to apply this framework to an impact sourcing service provider, Liberty Source, highlights just such complexity. Organizations may draw on different logics (which are at times conflicting) in novel configurations as they work to deliver on their dual value promises (Besharov & Smith, 2012; Pache & Santos, 2013; Battilana et al., 2014).

Specifically, assessing Liberty Source on our framework revealed the following. While Liberty Source operates within the social logic in terms of its primary mission (helping military spouse communities), it takes great care to hold itself to the highest standards of commercial viability in terms of criteria for success. This seeming contradiction is resolved when viewed through the lens of recent findings that suggest that organizations often operate within different logics where the choice of logic and the extent to which it is followed depends on what the organization believes would garner the most legitimacy (Pache & Santos, 2013). In their study on work integration enterprises, Pache & Santos (2013) found that organizations operating in dual logics often selectively coupled intact elements of each logic across different dimensions in ways to maximize their projection of legitimacy to external stakeholders. Scholars have observed similar selective coupling (Pache & Santos, 2013) in impact sourcing.

Indeed, literature on impact sourcing supports the idea that despite their social missions, such organizations model themselves as competitive in all ‘commercial’ aspects and deliver real commercial value to their clients. For example, Heeks & Arun (2010) found that even with a not-for-profit orientation, the social enterprises in their study often competed with private sector (commercial) firms for outsourcing contracts and often won those contracts due to competitively lower cost bids. In other words, the criterion for success for such firms is delivering real commercial value to their clients (in terms of lower costs for example). This sentiment is echoed well in Heeks (2013) commentary on impact sourcing where the author observes that “[T]his is not charity, so the concerns of clients are those one would expect for any outsourcing: cost, delivery timescale, and quality of service. The heart of the value proposition tends to be cost rather than social impact. (p. 23)” The message is that when clients engage these service providers, they are not compromising service quality or other economic criteria of performance (i.e. ‘this is not charity’) but are getting the added benefit that they are helping create social value (Heeks, 2013; Carmel et al., 2014).

However, when it comes to mobilizing resources, we observed that Liberty Source primarily adopted a social logic where it was able to creatively draw upon non-traditional sources of financial capital and build alliances with other organizations that shared its social mission. Liberty Source’s reliance on a social logic to garner resources is quite interesting given its rather strong
emphasis on competitiveness and demonstration of economic value for its clients. While few impact sourcing studies clearly address how impact sourcing providers garner resources, recent work provides examples that mirror the approach (perhaps circumstances) of Liberty Source.

For example, both Heeks & Arun (2010) and Madon & Sharanappa (2013) studied impact sourcing providers where the state governments were major sources of capital as well as, in majority of the sourcing projects, the primary client for services provided by impact sourcing ventures. Sandeep & Ravishankar (2015a) similarly documented initial struggles of their case study firm to obtain financial capital through commercial sources. On the other hand, while Sandeep & Ravishankar (2015b) identify the key role played by non-governmental agencies and governments in providing both financial resources as well as legitimacy to potential impact sourcing ventures, the case study firms profiled in their study (Sandeep & Ravishankar, 2015b) present an interesting mix. Specifically, all seven firms were for profit; four out of seven appear to have been funded through private equity, while three received funding from social venture capital. The take away from this appears to be that impact sourcing providers do not fit a predefined mould. Instead, they vary across the dimensions presented in our framework in terms of the extent to which they follow social vs. commercial logics. A more dramatic illustration of this idea comes from recent findings that suggest that even the presence of a conscious and deliberate social mission does not appear to be a precondition for the generation of social value as the main outcome of bottom of pyramid business enterprises (Sinkovics et al., 2014).

Finally, in terms of approach to innovation, Liberty Source’s locus was both within social and commercial logics. The firm clearly innovated to provide a better business service outsourcing alternative (within a commercial logic) as well as to provide better outcomes such as consistent employment and skills development to a population that has hitherto been unable to do so (within a social logic). This appears to be in contrast to findings from Lacity et al. (2010) that suggest that the rural sourcing providers profiled in their study innovated (in location of delivery centres in rural areas) to provide lower costs when compared with urban-based providers but greater value to clients when compared with offshore-based providers. That is, the locus of innovation appears to be primarily within the commercial logic. Interestingly, most of the firms profiled in Lacity et al. (2010) were primarily commercial value oriented in terms of their mission despite also promoting social impacts such as bringing jobs back home and rural economic development. On the other hand, Sandeep & Ravishankar (2015b) find that impact sourcing providers innovated similarly (by locating delivery centres in rural areas of India) but came at it from a mostly social value creation locus triggered by spirituality, guilt and compassion.

In conclusion, when viewed through the lens of an enabling framework such as the one presented in this paper, impact sourcing providers appear in a rich diversity of missions, resource mobilization tactics, criteria for success and approaches to innovation.

Limitations and implications for research

We note four limitations of our approach. First, while we based the four dimensions within our framework on entrepreneurship literature, we may have missed other important dimensions of ...
impact sourcing providers that meaningfully characterize these firms on the two logics. For example, although entrepreneurship literature generally has found no consensus on the utility of individual-level variables in differentiating social and commercial entrepreneurship (Dacin et al., 2010), recent work on impact sourcing suggests that individual-level motivational triggers could be important for impact sourcing venture creation (Sandeep & Ravishankar, 2015b). Second, as we suggest in the succeeding texts, it is possible that the four dimensions are inherently related to each other and in complex ways. Researchers using our framework in theory testing research are cautioned to think through their measures in order to fully ensure discriminant validity. Third, while our framework (summarized in Table 2) explicates the ‘ideal types’ (Thornton et al., 2012) for each logic in a dichotomous sense, we arbitrarily anchored the two logics on a continuum when applying our framework to Liberty Source. Given that the literature certainly supports the idea of a social vs. commercial logic continuum (Austin et al., 2006; Dacin et al., 2011; Heeks, 2013), researchers may use different approaches to capturing such variation. Finally, in the interest of space and adequate illustration, we assessed only one firm on our framework. While the Liberty Source case was useful to assess the applicability of our framework, we recommend multiple case study approaches in theory testing research that draws on our conceptual framework as discussed in the succeeding texts.

Future research may use this framework in at least the following ways. First, a major gap in our knowledge in this area pertains to a better understanding about the long-term potential of impact sourcing ventures to truly deliver on their commercial value promise (Nicholson et al., 2014). As scholars agree that the true test of an innovation lies in the markets (Drucker, 1985), it seems logical to examine just what characteristics of these impact sourcing ventures and in what combination would result in greater acceptance of impact sourcing by client firms. This is especially relevant as outsourcing literature has long acknowledged that achieving success in outsourcing initiatives is not easy (Dibbern et al., 2008; Lacity et al., 2009). Researchers may use a multiple case study approach to examine a diverse array of impact sourcing service providers through our framework and answer questions such as the propensity of client firms to choose particular providers given their ‘profile’ per the framework. Do clients prefer impact sourcing providers with a strong commercial logic in terms of criteria for success but also a purely social mission? On the other hand, is the social mission considered a liability by client firms who may question the potential of these providers to scale up? In other words, researchers can examine if particular profiles of service providers across the four dimensions in Figure 1 are more likely to be favoured and why. Analytical strategies to do so may include mapping each case (firm) onto the framework and then performing comparative analyses to develop profiles among firms. Then, the profiles could be systematically compared on outcomes of interests (Eisenhardt & Graebner, 2007) such as client preferences, provider scalability and provider long-term viability.

Second, and similar to examinations of commercial value potential, researchers may also be able to examine profiles of firms that are best able to deliver on their social value promise. For example, do firms that follow commercial logics in order to garner legitimacy as a viable entity do better or worse than others when it comes to helping the marginalized populations? Similarly, are firms operating within a commercial logic in terms of their missions realistically able
to deliver on social value promises to the marginalized populations they intend to help as well as the outsourcing clients they serve? Third, researchers may simultaneously study the dual value promise in terms of both the nature and scope of these values. Fourth, researchers who are interested in the organizational performance of the impact sourcing providers themselves may also be able to incorporate our framework. For example, one approach could be to examine ‘stated’ or espoused logics vs. ‘true’ or ‘in use’ logics (Argyris & Schon, 1978; Thornton et al., 2012) and the implications of any divergence between the two on dependent variables of interests. Fifth, researchers can also examine the relative weights placed by clients on the logics followed by provider firms across each of the four dimensions. For example, does the ‘added bonus’ of ‘making a difference’ tip the scale in favour of an impact sourcing provider vs. a commercial provider all else being equal?

Finally, researchers could select only certain dimensions or choose to add new ones depending on the research questions. Further, it is quite likely that dimensions interact with each other and perhaps with other firm or individual-level variables in predicting outcomes. For example, do impact sourcing provider firm capabilities interact with their dual value propositions in predicting their abilities to obtain client contracts?

Contributions to research

This paper makes the following contributions. First, in identifying the dimensions that characterize impact sourcing providers, we provide a reproducible frame to study impact sourcing providers irrespective of the nature of these firms, the delivery models they choose, the communities they serve, the types of services they provide to clients or the extent to which they espouse social vs. commercial value creation. Second, the dual logics spectrum enables future research to capture the idiosyncrasies of impact sourcing providers instead of considering them as monolithic in terms of the how their dual logics manifest. In other works, this framework allows us to more realistically capture the complexity involved in the dual value propositions of impact sourcing service provider firms. Third, taken together, our integrative framework provides one useful way to study impact sourcing as a whole and move beyond interesting case studies of disparate impact sourcing models or niche examinations of contexts. Fourth, through an in-depth review of the social/commercial entrepreneurship literature, we were able to set impact sourcing apart from other sourcing initiatives with social implications (e.g. corporate social responsibility in sourcing, Babin et al., 2011) as well as more distinctly place it within the larger context of outsourcing and development (Nicholson et al., 2014).

Our framework also contributes to the broader literature on social entrepreneurship by shifting the conversation away from discussions about defining characteristics of social entrepreneurship (Dacin et al., 2011; Choi & Majumdar, 2014). We do so by formally acknowledging and providing ways to capture the idea of dual logics and differential use of such logics across entrepreneurship dimensions thereby rendering a single set of defining characteristics in all social entrepreneurship unnecessary. Instead, we can now pay attention to what firms do and the impacts and not on whether they are purely social or commercial entrepreneurs or somewhere in between (Austin et al., 2006; Mair & Marti, 2006; Dacin et al., 2011).
CONCLUDING REMARKS

We presented one approach to more systematically study impact sourcing and the various innovative delivery models that have the potential to make significant impacts on the world’s marginalized populations (Heeks, 2013; Nicholson et al., 2014). Research on impact sourcing also stands to make significant contributions to the broader concepts of social entrepreneurship and innovation (Dacin et al., 2011). As our framework highlights, impact sourcing as an area of research is already showing complexity that defies simple explanations. However, we believe that this is a good thing as it indicates that entrepreneurs, global sourcing clients and institutions are trying different things to bring about social impacts in conjunction with global sourcing of IT and business services thereby opening up exciting new avenues for promising research.

ACKNOWLEDGEMENTS

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APPENDIX A: DESCRIPTION OF LIBERTY SOURCE AND DATA SOURCES USED IN THIS PAPER

DESCRIPTION OF LIBERTY SOURCE
Impact sourcing service provider name: Liberty Source, PBC
Population helped: military spouses and veterans
Location (at time of data collection): Fort Monroe, Virginia
Incorporation status: public benefit corporation (for profit with a social mission)
Website URL: http://liberty-source.com
Parent organization: Digital Data Divide (not for profit) (http://www.digitaldividedata.com/)
Number of employees: approximately 100 in March 2015
Types of services offered: various business processes (including, but not limited to, finance and accounting, human resources, inbound customer care and industry-specific processes)

DATA SOURCES (the data used here is a subset of data collected as part of a broader study on impact sourcing)

Face-to-face interviews
All interviews were voice recorded and transcribed. Interviews lasted between 30 min and 1 h.

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<thead>
<tr>
<th>Interviewee job title or role</th>
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<th>Location</th>
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<tbody>
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<td>2 February 2015</td>
<td>Off-site</td>
</tr>
<tr>
<td>President and CEO</td>
<td>2 February 2015</td>
<td>Off-site</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>30 March 2015</td>
<td>On-site</td>
</tr>
<tr>
<td>Director, Operational Excellence</td>
<td>30 March 2015</td>
<td>On-site</td>
</tr>
<tr>
<td>Staff (military spouse)</td>
<td>30 March 2015</td>
<td>On-site</td>
</tr>
</tbody>
</table>

On-site visit by two of the authors
March 2015 visit included guided tour of two facilities in operation as well as a tour of Fort Monroe. We were able to observe Liberty Source employees at work and also conduct voluntary interviews.

News articles

Press releases

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