Institutions, Organizations and Markets for Inclusive Growth

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Declaration

This is to certify that:

(i) This thesis constitutes my own work and that all material, which is not my own work, has been properly acknowledged,

(ii) Due acknowledgement has been made in the text to all other material used,

(iii) Due acknowledgement has been made in the text to my co-authors, with whom I have worked on research manuscripts,

(iv) The thesis is less than 100,000 words.

To The Bottom Billion

“All human wisdom is contained in these two words - Wait and Hope”

Alexandre Dumas

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Life is never what we expect, and the PhD has been no exception. Making the transition from a Master's degree where models and frameworks are accepted (almost) without question, to a Doctorate education on not *what* to think but *how* to think, has been a truly mind-altering experience, one that I have been fortunate to share with some exceptionally bright people.

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Abstract

This dissertation views the challenge of delivering new products and services in low-cost contexts as an organization design problem, a thesis explored in three interrelated studies. Study I examines opportunity enactment and inter-organizational design via an in-depth case study on emergency medical response services in India, a context characterised by poor access, resource constraints and institutional voids. The case and context highlight the need for innovation in organization design and governance modes to create a new opportunity that connects state actors, private healthcare providers, and the public at large. It considers the role of open innovation and novel organizational arrangements between public and private actors in creating these service platforms, before discussing their implications for literature on public-private partnerships and institutional entrepreneurship.

Study II is a qualitative study on the delivery of prevention of mother-to-child transmission of HIV/AIDS services in three different states in India. Using archival data, fieldwork and interviews with healthcare professionals and front-line workers in the National AIDS Control Organization of India (NACO), it examines how work is coordinated in stigmatized client settings. It proposes a model for organization design and work integration in contexts where stigma is an antecedent to disenfranchisement. In addition, my findings highlight the interplay of formal design choices and informal coordinating practices in restoring the integrative conditions necessary for collective work.

Study III is a comparative case study of two hybrid organizations. Combining stakeholder theory with organization design perspectives, it explores the prioritization of stakeholder preferences within two social enterprises. Specifically, how the demands of their most salient stakeholders influence internal governance and organization design arrangements. It demonstrates how salient preferences create complex trade-offs between coordination and agency costs associated with alternate governance choices. Their impact on the depth and breadth of social value creation are also discussed.

1 Introduction

1.1 Theoretical motivation

How does a country like India deliver emergency medical response services to 750 million people living in remote and impoverished settings? How can multilateral organizations coordinate effective HIV/AIDS prevention and treatment services when stigma reduces follow-up rates to 6% in some districts? How do electricity companies introduce socially and economically sustainable solutions for rural electrification in Africa despite severe resource constraints and break-even timelines of over 10 years?

This dissertation views the seemingly insurmountable challenge of operating in low-cost settings as an organization design problem. It views organizations as complex systems of interdependent activities formed by a process of differentiation and integration and explores how firms navigate weak institutional environments by devising suitable governance and coordination arrangements adapted to low-cost contexts. Existing theories within organization theory and transaction cost economics, developed largely within western scholarship would suggest the delivery of new products and services in such contexts is nearly impossible to achieve. This is largely because both the cost of participating in these markets and the cost incurred to the firm as a function of organizing are prohibitively high due to the institutional context in which they operate (Williamson, 2001; Chandler, 1990). Yet increasingly, we observe examples of firms that are able to survive and thrive in such settings, suggesting that new ventures in frontier markets have progressed further than theory can explain.

I take the first step in expanding contexts to redefine these theories. The starting premise is that when institutional barriers cannot be removed from the context, organizations develop contingencies, enacting internal and external adjustments to fit their environment (Lawrence & Lorsch, 1967), and adapting new organizational forms (Puranam, Alexy & Reitzig, 2012). As a theoretical lens, organization design enables exploration of these activities, and how firms work to mitigate institutional costs. I argue that organizations can design around, mitigate or absorb such costs by adjusting firm boundaries, altering the ‘rules of the game’ or by making internal (structural) changes to improve the coordination of interdependent activities.

1.1.1 Institutional voids and opportunity enactment

The Base of the Pyramid (BOP) represents populations living on incomes of less than $2 per day, a market of considerable volume but meagre economic returns (Prahalad, 2006). These individuals tend to be located in rural communities, operating within informal market economies – the remoteness of which eliminates economies of scale as each additional customer incurs an additional cost to the organization (Godfrey, 2011; McGahan, 2012). Social and cultural heterogeneity creates high coordination costs both within and between organizations and renders marketing communications difficult (Hofstede, 1991). When low incomes and geographical dispersion cannot be removed from the context, how do organizations design themselves to overcome barriers to enacting new business opportunities at the base of the pyramid?

Specifically, how do organizations mitigate the inherent risk of organizational failure arising from: i) *Problems of access* due to geographical remoteness (spatial barriers) and lack of clearly defined marketing and communication channels (information barriers); ii) *Institutional voids* characterised by weak government institutions and uncertain regulatory environments; iii) *Resource scarcity,* resulting in cost constraints for ensuring affordability and human capital constraints due to poor education and skills, and iv) *Diverse preferences* caused by heterogeneous sociocultural attitudes and consumer adoption behaviours. These barriers can pose seemingly insurmountable challenges. Hence the key to understanding inclusive innovation in BOP settings begins with a deep appreciation of these problems. By observing patterns of organization and institution design, it is possible to analyse two-way effects, such as how firms can shape and influence their environment.

1.1.2 Organizing beyond traditional structures and boundaries of the firm

Management scholars have adopted numerous lenses for understanding the contextual barriers and organizational solutions for effectively servicing the BOP. The principal of organization design is how to organize people and resources collectively in order to accomplish desired ends (Greenwood & Miller, 2010). The desired ends or goals pursued are different across organizations, appealing to diverse stakeholders. Meanwhile organizations are continually evolving from bureaucratic structures with strong boundaries to new forms of coordination, such as 'relational contracting', implying less commitment and control (DiMaggio, 2009). These design arrangements are driven by a host of rational, behavioural, economic and institutional factors that are often context-specific (Puranam, Alexy, & Reitzig, 2014). However, if scholars consider organizing as a process (Weick, 1969) of problem solving, (Madhok, 1998) then it is possible to frame it through a universal set of dimensions or organizing principles to determine the novelty in 'new forms of organizing'.

These organizing dimensions can be distilled into two functions, viewed by many scholars as the fundamental purpose of organization: the division of labour and the integration of effort (Puranam et al., 2014). Expressed in earlier literature as differentiation and integration (Lawrence, Lorsch, & Garrison, 1967), recent scholarship encompasses a broader set of organizational functions, including: *i) task division and allocation, ii) reward distribution,* and iii*) information flows*. Along such dimensions, it is possible to observe new forms of organizing, as demonstrated in the context of software development firms, open source web organizations, and novel ways of organizing product design and manufacturing (Puranam et al., 2014). My thesis expands these contexts further by considering how organizations in base of the pyramid settings adapt to these markets through novel public-private arrangements that overcome institutional voids, co-creating new sources of value in inter-organizational or community contexts. In many ways these are akin to earlier movements studied in western contexts (Schneiberg, 2010), yet with some fascinating differences, particularly in the context of building socially and economically sustainable hybrid organizations.

1.1.3 New market contexts for observing organizational forms

While much innovation in organizational forms has been driven by information communication technologies creating opportunities for new business models (Amit & Zott, 2001; Puranam et al., 2014). Such examples neglect important trends emerging from new contexts for management research, (Barkema, Chen, George, Luo, & Tsui, 2011) as well as the investigation of new organizational forms (Tracey, Phillips, & Jarvis, 2011). Fresh insights have been garnered from the study of demand-side approaches to service delivery (Priem, Li, & Carr, 2012), inter-firm alliances (Powell, 1990), transformation of public administrations in rapidly growing economies such as India and China (Hoskisson, Eden, Lau, & Wright, 2000; Wright, Filatotchev, Hoskisson, & Peng, 2005), professionalization of the not-for-profit and charity sectors (Srnec & Svobodova, 2009) and attempts by multinationals to tap into geographically distributed markets (Puranam, 2012), most notably at the base of the pyramid (Prahalad & Hart, 2002). This dissertation examines how firms deliver inclusive services through effective organization design across a variety of these forms. By using organization design perspectives to understand the problems of organizing at the base of the pyramid, it is possible to consider novelty in the activities of task division and allocation in inter-organizational and community contexts, ownership and reward distribution amongst stakeholders within hybrid organizations, and the coordination of information flows in diverse sociocultural environments.

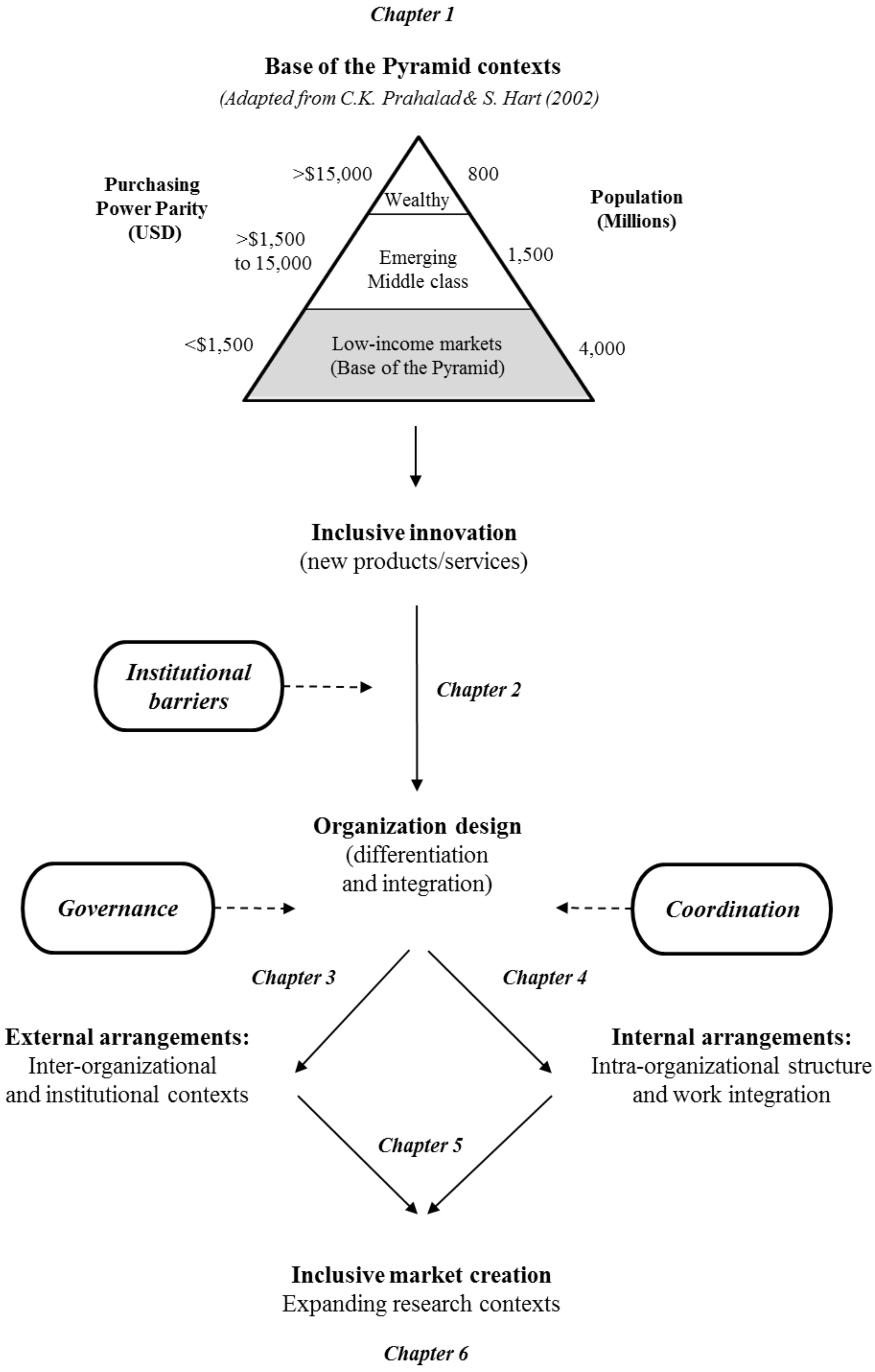
1.2 Thesis structure and research design

The overarching question in this thesis is how do organizations overcome institutional constraints to deliver products and services? The following research questions are explored:

(1) How do organizations coordinate and incentivise multi-party service delivery in base of the pyramid (BOP) contexts characterised by weak institutional environments?
(2) How do organizations integrate work in BOP community settings? Specifically, how does social context influence organization design choices and emergent work practices?
(3) What are the effects of stakeholder preferences on organization design, specifically in the context of hybrid organiz*ing*?

These questions are answered in sequence by three inter-related, multi-level studies presented in Chapters 3, 4 and 5, following a literature review, which sets out the context for 'inclusive' organization design. A schematic of how these studies fit into the broader research design is illustrated in Figure 1.

Figure 1. Organization of thesis



Chapter 3 examines organizational enactment and inter-organization design in emergency medical response services in India, a context characterised by poor access, resource constraints and institutional voids. Drawing insights from an illustrative case study, we investigate how important breakthroughs in organizational and service design occur through the formation of an effective public-private partnership. We present a process model of institutional entrepreneurship, conceptualised as opportunity framing, propagation and entrenchment, which involved multi-party incentivization, information provision and engagement by a single organizational actor, reframing existing rules and norms in order to deliver effective emergency healthcare services.

Chapter 4 is a qualitative study on the delivery of prevention of mother-to-child transmission of HIV/AIDS treatments in three different states in India. Using archival data, fieldwork and interviews with healthcare professionals and front-line workers in the National AIDS Control Organization of India (NACO), it examines how work is coordinated in stigmatized client settings. Our findings demonstrate how the presence of stigma in an organizational environment influences its structure, boundary choices and employee behaviours. We propose a model for organization design and work integration in stigmatized client settings, which highlights the interplay of design choices and coordinating practices in restoring the integrative conditions (accountability, predictability and common understanding) necessary for collective work. Contributions to literature on stigma, coordination and collaboration in inter-organizational and community contexts are discussed, as is the need to broaden the scope of stigma research to investigate its effects on organizations at multiple levels.

Chapter 5 is a comparative case study of two hybrid organizations (organizations that pursue both social and economic objectives). Combining stakeholder theory with organization design perspectives, I explore the prioritization of stakeholder preferences within two social enterprises focussed on rural electrification in Africa: Energy for Development and Meshpower. Specifically, how the demands of their most salient stakeholders influence internal governance and organizational arrangements. My findings demonstrate how salient preferences influence hybrid organization design, creating complex trade-offs between the coordination and agency costs associated with alternate governance choices. I go on to show how such organizational costs have implications for the depth and breadth of hybrid efforts to enact lasting social impact while simultaneously pursuing profit-seeking goals.

Finally, Chapter 6 presents results from a systematic literature review on management research in Africa. It investigates the continent as an underexplored context for testing and extending existing boundary conditions and theoretical perspectives, developed within western contexts. It explores firstly 'Grand Challenges' for management in Africa identified from existing scholarship as part of a broader literature review, and secondly, by focussing on the top 10 journals, I identify theoretical perspectives where the context has demonstrated significant potential to make contributions to management research. The review provides high-level insights before presenting a narrative description of all sampled macro and micro studies. These relate to organizational and individual responses to factors derived from the African context, such as uncertainty, sociocultural diversity and resource scarcity.

Table 1 provides a summary of how each paper investigates barriers to inclusive growth alongside organization design dimensions explored in each empirical context.

Table 1. Matching contextual barriers with organization design dimensions

Universal barriers to inclusive innovation	***Dimensions in organization design***		
	Task Division & Allocation	**Reward Distribution**	**Information Flows**
- Problems of access	* 3	3	3
- Institutional voids	3	3/5	3/6
- Resource constraints	3/4	3/4/5	3/4/5
- Sociocultural factors	4	4/5	4/5

***Chapters in which crosscutting themes and linkages are explored**

Empirical research at the base of the pyramid presents challenges with regards to the availability of data, particularly where primary data collection can stretch already constrained research budgets. This has made it necessary to rely predominately on data collected as part of multi-institutional research efforts. By working with a number of research and business partners, it has also been possible to collect unique data at multiple levels of the organizations under scrutiny. In most welfare contexts – related to healthcare and energy service provision – delivery requires an institutional agent to coordinate and ensure successful delivery at multiple levels, including national, state, district, and community or individual interventions. Scholars have recognised that most management problems involve multilevel phenomenon, hence my research design is intended to ensure multilevel research that meets levels of theory, measurement and analysis required to fully examine my research question (Hitt, Beamish, Jackson, & Mathieu, 2007). Levels of analysis, research methods and exploratory themes within each study are summarised in Table 2.

Table 2. Multi-level research design and exploratory themes

Chapter	Level of Analysis	Method	Exploratory themes
3	*Macro (inter-org)*	Qualitative (in-depth case study)	Division of labour across organizational boundaries; integration of efforts and reward distribution in a public-private-partnership; establishment of effective governance modes to overcome problems of access, resource scarcity and a weak institutional environment.
4	*Micro (individual)*	Qualitative (interviews)	Division, allocation and coordination of tasks under resource constraints and diverse sociocultural attitudes within a national organization, studied at multiple hierarchical levels. Considers the coordination of information flows amongst frontline workers in stigmatized client settings.
5	*Meso (intra-org)*	Qualitative (comparative case study)	Governance and stakeholder preferences in contexts of low affordability, diverse sociocultural perceptions and a weak institutional environment. Organization design responses to salient preferences of customer and community stakeholders; monitoring, incentives and information provision.

1.3 Contributions

The core theoretical contribution of this dissertation is the development of a broad theoretical framework that relates organization design dimensions to universal barriers that prevent the diffusion of inclusive innovation in base of the pyramid markets. By emphasising the importance of a multi-level approach for the integration of interdependent activities, this thesis explores how elements within organization design – task division and allocation, reward distribution and information provision – in multiple empirical settings can be combined to deliver inclusive products and services. In doing so, it provides new theoretical perspectives on informal market entry, social value creation and hybrid organizing, exploring contexts that remain understudied by management scholars. Theoretical treatments adopted in each empirical study offer fresh perspectives on governance, coordination, stakeholder preferences and the role institutional entrepreneurship in opportunity enactment.

The dissertation has important implications for organization design practitioners operating in base of the pyramid markets, specifically those involved in the delivery of welfare services, such as healthcare and energy infrastructure. These services rely on the coordination and incentivisation of multiple parties, including state and private actors, as well as the extension of organizational structures and boundaries into community and client contexts. Rural electrification and indeed patient care in any healthcare setting represents a salient challenge due to their highly fragmented and complex nature (Gittell & Weiss, 2004; Herzlinger, 2004;

Kenagy, Berwick, & Shore, 1999). However, by focussing on geographically remote and impoverished settings as an extreme context for exploring service delivery, this dissertation identifies universal insights into organizing in contexts of extreme poverty. Insights that are relevant to multiple organizational types including public, private, not-for-profit, multilateral and non-governmental organizations.

2 Literature Review: Business and Poverty

2.1 Introduction

Management scholars have adopted numerous lenses for understanding the contextual barriers and organizational solutions to delivering new goods and services to Base of the Pyramid markets. In this chapter, I review the literature on business and poverty from a range of academic fields, including management, strategy and development literature, to develop systematic insights into: i) the theoretical constructs used to understand business engagement in contexts of extreme poverty; ii) the characteristics of the individuals and communities who live and operate in low-cost contexts, and iii) the universal barriers affecting service delivery at the base of the pyramid. I conclude with a discussion on how the field of organization design can advance studies on the delivery of new products and services for inclusive growth.

2.2 Review protocol

The literature review was restricted to published, peer-reviewed academic articles within the ISI Web of Science, (SSCI: social sciences citation index) and EBSCO (Business Source Complete) databases from 1990 to present (with the exception of three practitioner journals: *Harvard Business Review, Sloan Management Review* and *California Management Review*). The databases were chosen for the reason they returned the most number of relevant (i.e. management or business-related) results using an initial keyword search of "business* and poverty" and "bottom (or base) of the pyramid". Both databases were examined using the search strings listed in Table 3 and 4 in which titles, keywords and abstracts were scrutinised.

Table 3. Search protocol for ISI Web of Science (SSCI)

Search string	Scope	Date of search	Date range	No. of entries
(poverty OR social inclus* OR bottom/base of the pyramid OR BOP) **AND** business	Title, keyword and abstract	21/12/13	1990-2013	330
AND (small firm OR entrep* OR SME OR microenterprise OR small business)	Title, keyword and abstract	21/12/13	1990-2013	197
AND (large firm OR multinational OR corporation OR MNC OR MNE)	Title, keyword and abstract	21/12/13	1990-2013	85
AND ("not for profit" OR non-profit OR NGO OR non-government* organization)	Title, keyword and abstract	21/12/13	1990-2013	126
AND (public private partnership* OR PPP* OR "public sector")	Title, keyword and abstract	21/12/13	1990-2013	88

**Filtered by BUSINESS, MANAGEMENT & ECONOMICS; PAPERS and REVIEWS only*

Table 4. Search protocol for EBSCO Business Source Complete

Search string	Scope	Date of search	Date range	No. of entries
(poverty OR social inclus* OR bottom of the pyramid OR base of the pyramid OR BOP) **e.g. AND** business	Title, keyword and abstract	21/12/13	1990-2013	2496
AND (small firm OR entrep* OR SME OR microenterprise OR small business)	Title, keyword and abstract	21/12/13	1990-2013	141
AND (large firm OR multinational* OR corporation* OR MNC OR MNE)	Title, keyword and abstract	21/12/13	1990-2013	77
AND ("not for profit" OR non-profit OR NGO OR non government* organization)	Title, keyword and abstract	21/12/13	1990-2013	102
AND (public private partnership* OR PPP* OR "public sector")	Title, keyword and abstract	21/12/13	1990-2013	43

**Filtered by Publication type: academic journal; Scholarly peer-reviewed journals only; English*

2.2.1 Article selection criteria

The total number of potentially relevant studies found using Boolean search strings was 574. These were exported to referencing database *Endnote* where results were reviewed against specific quality and relevance criteria. After duplicate studies from across the two databases were removed, the remaining 466 results were filtered. To ensure only management literature was considered, results were set against those journals listed by the Academic Journal Quality Guide of the Association of Business Schools. The ABS Quality Guide provides a summary of the range, subject matter and relative quality of business and management journals (Harvey, Kelly, Morris, & Rowlinson, 2010).

This process reduced the number of relevant studies to 232. At this point the abstracts were reviewed and a further 118 articles were discarded on the basis they were not deemed relevant to the research questions set out in the introduction. Finally, the remaining 114 articles identified from the keyword search and selection criteria were downloaded and read in full.

2.2.2 Coding criteria

Each downloaded paper was read and coded in order to standardise the information gathered and thus identify theoretical constructs, research strands, organizational actors, outcomes and the industrial or geographic contexts of each empirical study. In keeping with the objectives set out in the introduction, inter-relationships between contextual factors or barriers to product or service delivery and key theoretical constructs were observed (Dahlander & Gann, 2010).

2.3 Themes in Base of the Pyramid research

2.3.1 Fortune at the Bottom of the Pyramid

The 'base' or 'bottom of the pyramid' concept was introduced to management scholarship by C.K. Prahalad and Stuart Hart (1999) in a working paper dated August 1999, later elaborated alongside Allen Hammond (2002). In contrast to previous literature, which predominately understood business engagement with the poor as philanthropic or grant-based efforts, the market-based approach of the BOP argued that multinational corporations (MNCs) can grow their profits *and* help lift billions of people out of poverty by empowering them as suppliers, producers and consumers (Prahalad & Hammond, 2002).

When defining the base of the pyramid as a discernible socioeconomic category, most articles use the definition set out by Prahalad i.e. per capita income levels of below $1,500 or $2,000 per annum, also referring to the 'poverty line' of $1 or $2 per day, used in everyday discussions of poverty (Banerjee & Duflo, 2007). Other publications refer to the '4 billion poorest' who live on such income levels (Hart & Christensen, 2002), rural populations more generally (Zala & Patel, 2009), slum communities (Whitney & Kelkar, 2004), entire countries or regions (Ahmad, Gorman, & Werhane, 2004), or populations that primarily live and transact in an informal market economy (London, 2008).

The majority of traditional BOP research has been published in journals targeted at practitioners, owing to the placement of Prahalad's original BOP articles, as well as the nature of the topic fitting neatly into themes relevant to management practice. This includes a substantial research presence in journals such as Harvard Business Review, MIT Sloan Management Review or California Management review (Anderson & Markides, 2007; Chesbrough, Ahern, Finn, & Guerraz, 2006; Hart & Christensen, 2002; Prahalad & Hammond, 2002; Vachani & Smith, 2008) and very few articles in prominent academic journals such as the Academy of Management Journal (Kistruck, Sutter, Lount, & Smith, 2013b) or Strategic Management Journal (Karnani, 2007a).

Initiators and organizational actors

Assumptions that profit-making activities by private actors can relieve poverty and lead to a more prosperous society have existed in economic thought at least since Adam Smith proposed his notion of the 'invisible hand' (1776: 316). Other market-based approaches to poverty alleviation, such as microfinance or micro-development initiatives providing small-scale loans to local businesses, (often assisted by aid agency programmes) existed prior to the introduction of the 'BOP approach' (Chu, 2007; Yunus, 1999). The point of departure in the 'Fortune at the Bottom of the Pyramid' (Prahalad, 2006) was its distinct call to multinational corporations (MNCs) to explore a hitherto 'untapped' market from which they could make considerable profits.

Early examples have been restricted to consumer product companies and MNCs such as Avon or Hindustan Lever in India or Nestle's 'Popularly Positioned Products', involving the marketing of smaller, more affordable versions of existing products to overcome the limited purchasing power of the BOP (Karnani, 2007a). However, subsequent literature suggests a 'de-emphasising' of the role of MNCs over time, as published articles portray a more complex picture of BOP approaches, involving a range of BOP contexts, initiatives and organizational actors (Kolk, Rivera-Santos, & Rufín, 2012). Literature has since been extended to various forms of external participation and multi-party engagement for entering into the informal economy, including MNCs, domestic firms, non-profit organizations, as well as non-native individuals or organizations who establish new enterprises or cooperatives (London, 2008).

Business model as a central theoretical construct

For BOP initiatives to achieve scale, studies have promoted the need for new business models and new product innovations adapted to the BOP, which range from low-end market entry to co-invention. BOP business models require the development of new capabilities (Hart, 2005a; London & Hart, 2004), specifically referred to as 'social embeddedness' or 'native capability', defined as "the ability to create a web of trusted connections with a diversity of organizations and institutions, generate bottom-up development, and understand, leverage, and build on the existing social infrastructure" (London & Hart, 2004: 164). Social embeddedness is a capacity required also by domestic firms and local governments providing welfare services as well as foreign multinationals.

BOP business models involve reframing value networks to mobilise the poor not just as consumers but as entrepreneurs (Karnani, 2009) and co-creators in BOP initiatives (Whitney & Kelkar, 2004). In contrast to traditional poverty alleviation programs which have previously taken a top-down approach (Chambers, 1990), the co-creation of services can be observed in case studies such as Unilever's Project Shakti, which provides microfinance to village women to sell soaps and shampoos in rural communities where distribution networks are lacking. A recent systematic literature review on the BOP concept considers the role of the poor in current BOP literature (Kolk et al., 2012), ascribing over two thirds of all articles that view the BOP as a potential market (or recipients), compared to one third which considers alternative roles as employees (Whitney & Kelkar, 2004), partners (Brinkerhoff, 2008) and in some cases, entrepreneurs (Dolan & Scott, 2009). Examples of entrepreneurship at the base of the pyramid however, stand in stark contrast to those highlighted in developed world contexts. Predominately based on distribution activities, they require few or no specialised skills, low barriers to entry and achieve limited scalability (Kolk et al., 2012).

Outcomes and criticisms: 'Doing well by doing good'?

The view that MNCs should seek a fortune at the bottom of the pyramid is questioned both by its proponents (London, Hart & Barney, 2011, August 14) and by its critics, such as Aneel Karnani (2007), who argues the best way to achieve growth and thus alleviate poverty is 'to raise the real income of the poor by creating steady employment at reasonable wages', which can be achieved with a free market, but with government-imposed limits to prevent exploitation (Karnani, 2007c: 91). While the majority of BOP studies observe positive outcomes, initiatives tend to involve trade-offs between profitably and social impact.

Measuring such outcomes represents a major challenge to management scholars. Corresponding with the results of a recent systematic review on the BOP literature, (Kolk et al., 2012) roughly one third of all 114 articles attempt to measure economic impact for the firm (n=37), using measures such as profit, market capitalisation or market penetration, whilst just over a third (n=44) considered social and economic impact at the base of pyramid populations, in areas such as healthcare, clean water provision, employment and new business creation.

2.3.2 Opportunities for the disenfranchised

Intellectual spill-overs from development literature into management scholarship have encouraged a more holistic assessment of the relationship between business and poverty.

Development economics has concentrated on structural factors, such as the importance of secure institutions, private property rights, free markets and access to capital as the necessary preconditions for innovation and inclusive growth (Ray, 1998; Yunus, 1999). Its influence on management stems from reframing notions of market forces as a means of political and economic freedom (Friedman, 1962), poverty as capability deprivation (Sen, 1999; Sen & Nussbaum, 1993) and studies promoting entrepreneurial potential of the poor (De Soto, 2000).

These crosscutting themes have introduced new concepts such as empowerment, enfranchisement and opportunity enactment through capability development, providing a fresh starting point for organizational scholars to test and extend existing management theories in BOP contexts. This pursuit has been led by calls for studies on 'inclusive innovation', defined as "the development and implementation of new ideas which aspire to create opportunities that enhance social and economic wellbeing for disenfranchised members of society" (George, McGahan, & Prabhu, 2012: 663). Described as both a process and a performance outcome, it incorporates all forms of innovation - products, services, processes, institutions and business models - provided they create opportunities for the enhancement of social and economic wellbeing; outcomes previously assumed to be an 'automatic' corollary of the innovation diffusion process. Inclusive perspectives involve a bottom-up assessment of the real needs of the poor, emphasising capability development and social capital.

User-centric and needs-based approaches

How a new product or service is designed with regards its features or attributes, and the way these are communicated to customers is critical to user acceptance at various points in the adoption process (Rogers, 1967). Traditional top-down approaches have been 'needs-blind' involving the offloading of existing products via charitable donations or the transplanting of developed world service models onto the developing world. Inclusive approaches however, promote a bottom up approach to assess the real needs of the poor and ensure that products and services are affordable and adaptable to local circumstances. Unsurprisingly, the most important attributes that help speed up the BOP rate of adoption are affordability most critically, (Anderson & Markides, 2007) as well as complexity, relative advantage and adaptability (Rogers, 1967). Visual comprehensibility has also since been singled out as a key factor in strengthening consumer interest in new innovations, whereby visual assistance instead of words help product identification, understanding and selection during the decision stage (Viswanathan, Rosa, & Harris, 2005).

Inclusive organizations and multiparty engagement

Manufacturing and product firms expanding in developing countries have managed to deliver affordable products by engineering low-cost product designs and manufacturing processes such as in the case of Tata Nano, the world's cheapest car, as well as by breaking down products into smaller units to keep the price low, achieved by Proctor & Gamble's single-use sachet for shampoos. In the context of inclusive services, examples also exist of government actors adopting similar approaches. For instance, in the delivery of rural education, a country such as India faces problems of access and coordination costs both in placing skilled teachers and introducing standardized learning materials in schools. The Indian Government sought to overcome these problems by working alongside research institutions and private partners to develop the $35 Sakshat Tablet, equipped with all the functionality for email, internet browsing and video streaming. By sharing knowledge and capabilities through a public private partnership (PPP), the initiative leveraged the development expertise of UK company DataWind, the low-cost manufacturing capabilities of Quad in India and the coordination and distribution access of the State to meet the goal of linking 25,000 colleges and 400 universities in a national e-learning program which bridges the 'digital divide between those children with computer and internet access and those without' (IITG, 2009). This is an example not only of low cost design but also effective knowledge sharing between actors and use of open innovation principals to combine ideas that are both internal and external to the organization (Chesbrough, 2003).

Social capital, community-seeding and capability development

Inclusive innovation draws significant attention to the nature of the social system, where social capital is regarded as an important force in overcoming barriers to diffusion within BOP communities, defined in this context as 'trust, norms and networks that can improve efficiency of society by facilitating coordinated actions' (Putnam, Leonardi & Nanetti, 1993: 167). Marketing literature has attempted to combine the capability approach, (Sen & Nussbaum, 1993) with literature on social capital to develop a more 'socially embedded' and 'community-centric' approach to product and service delivery in low-income contexts (Ansari, 2012). By redefining poverty as both lack of income and capabilities (Sen & Nussbaum, 1993), it is possible to observe how BOP initiatives advance capability transfer, diffusion and retention by enhancing social capital between low income communities and 'resource-rich' networks (Burton & Obel, 1984). Studies of Zimbabwe, South Africa and other developing countries show that social fabric is built on long-term, reciprocal relationship or deep cultural embeddedness (Burgess & Nyajeka, 2007). Individuals and communities in these settings rely heavily on social networks for information and even aid, hence personal ties can influence purchase decision far greater than in high-income countries where social independence is more common (Rogers, 2003; Nakata & Weidner, 2012; Viswanathan, 2007).

2.3.3 Universal barriers to inclusive growth

The most important intervention from literature on inclusive innovation has been the primacy it gives to structural factors, which prevent access to social welfare and wealth-creation opportunities. Barriers arise at many levels including employees, owners, customers and organizations. From the literature, it is possible to derive a set of universal barriers that prevent service delivery in BOP contexts. These are presented below with a description of the phenomenon and references to theoretical treatments.

Table 5. Universal barriers to inclusive growth

Barriers	Description	Theoretical treatments
Problems of access	Geographical dispersion, technology access and lack of clearly defined marketing and communication channels	*'Social capital in capability development and community empowerment to overcome access problems'* (Ansari, Munir, & Gregg, 2012) *'Public private partnerships as social and knowledge bridges to previously isolated communities'* (McDermott, Corredoira, & Kruse, 2009)
Institutional voids	Weak government institutions; uncertain regulatory environments; lack of distribution networks	*'Social capital to overcome unorganized communities and self-serving elites'* (Boutilier, 2007) *'Weak institutions coupled with alert entrepreneurs lead to destructive outcomes'* (Hall, Matos, Sheehan, & Silvestre, 2012) *'Institutional voids as source of market exclusion, overcome by redefining market architecture and legitimating new actors'* (Cyert & James, 1963)
Resource constraints	Affordability, cost constraints; and scarcity of human capital due to low level of education and skills development	*'Novelty in product innovation and 'superior ideas' help to overcome lack of financial, social and human capital'* (Bradley, McMullen, Artz, & Simiyu, 2012) *'Jugaad (frugal) innovation'* (Radjou, Prabhu, & Ahuja, 2012) *'Intrapreneurial bricolage'* (Halme, Lindeman, & Linna, 2012)
Diverse preferences	Social and cultural factors resulting in heterogeneous behaviours, attitudes and consumption patterns	*'Contextualised model for enhancing product adoption at the BOP'* (Nakata & Weidner, 2012) *'Educational initiatives for sustainable market development'* (Viswanathan, Yassine, & Clarke, 2011)

2.4 Inclusive by design: Organization design as a theoretical lens

I conclude with a brief introduction to the organization design literature, followed by a discussion on how it provides a useful theoretical lens with which to garner fresh insights on effective service delivery in low-cost contexts. Early organizational theories relied on relatively stable empirical settings in which organizational arrangements could be grafted using simple analytical or ‘engineering’ tools. This ‘scientific’ approach implied a single best practice for designing organizations (Taylor, 1947; Barnard, 1938; Sloan, 1964). Research soon followed demonstrating there were many different types of organizations (Selznick, 1949; Blau, 1955), influenced by technology (Woodward, 1961) and their environment. Burns & Stalker (1961) showed that organization design was driven predominately by environmental and task uncertainty, which would determine whether an organization would adopt a ‘mechanistic’ or ‘organic’ organizational structure.

Similarly, Lawrence & Lorsch (1967) introduced the notion that organizations design themselves to ‘fit’ their environment, through two basic design elements: Differentiation, which mapped organizational units to specific tasks, and integration to coordinate the organization as a coherent system. Both were driven by market and technological uncertainty. In a recent paper, Puranam, Alexy and Reitzig (2014) build on these two organizing functions, defined as the division of labour and the integration of efforts. These categories are expanded further into: i) task division and allocation, ii) reward distribution, and iii) information flows – a more expansive framework which underpins the theoretical motivation for my thesis.

Task division and allocation

Organization design in BOP contexts might require a level of influence, scope and capability that individual actors find difficult to achieve, requiring new organizational forms capable of reconciling sometimes divergent goals of making profits whilst promoting social inclusion (George et al., 2012). In many ways, processes of MNC value creation and capture are negatively affected by BOP markets. Although solutions exist in extending organizational boundaries through partnerships with nongovernmental organizations (NGOs), who possess a high degree of localized knowledge, social embeddedness within informal networks and an ambidexterity in dealing with diverse stakeholder groups, such partnerships can incur high transaction costs that negate the benefit of doing business in this context (Webb, Kistruck, Ireland, & Ketchen, 2010b).

Expansion of organizational boundaries is especially necessary for service delivery in BOP contexts in order to encompass inter-organizational and community-based networks, as well as in some cases professional associations, multilateral institutions or a coalition of actors such as in the case of public private partnerships, which shape organization 'systems' or meta-organizations (Gulati, Puranam, & Tushman, 2012). These require novel governance modes, incentives and coordination mechanisms. In this way, studies on effective organization design can provide insights into service delivery in complex and dynamic environments, such as how to design an effective organization made up of self-organizing teams or agents employed outside of the formal organizational structure. For instance, recent literature has considered shifts in agency from organizational management to external stakeholders such as customers and regulators who impose their own systems and structures on the organization (Kistruck et al., 2013).

Reward distribution

Conflicting interests of managers, employees, consumers and suppliers are prevalent in the BOP context, where economic development has so often been characterised by disenfranchisement and where institutional mechanisms for managing dispute resolution are ambiguous (George et al., 2012). Businesses in BOP markets often involve working with local sales agents or volunteer networks, where agency costs can be increased due to weak institutions and infrastructure which make traditional contractual and monitoring mechanisms difficult and expensive to deploy (Kistruck et al., 2013). Faced with such possibilities, service organizations must establish effective distribution of rewards to incentivise participants against moral hazard. Hybrid organizational forms similarly raise interesting questions around incentivisation and reward distribution in social enterprises (Makadok & Coff, 2009) as well as managing interdependencies between governmental and business actors (Mahoney, McGahan, & Pitelis, 2009). The classic agency problem of investor preferences for maximising returns and managerial preference for greater control (Jensen & Meckling, 1976) is made more problematic in the context of hybrid organizations, especially PPPs which combine the dual objectives of public and private actors. Comparisons across organizational forms could facilitate an investigation into how and why various incentive mechanisms for aligning interests are effective, especially in the delivery of inclusive (welfare) services involving both state and private actors.

Information flows

A large body of literature views organization design primarily as a means of meeting the information processing requirements generated by individuals and groupings of individuals undertaking interdependent activities (Burton & Obel, 1984; Delbecq, Bryson, & Van de Ven, 2013; March & Simon, 1958; Thompson, 1967c). The geographic dispersion of many BOP markets and the lack of formal integration along the value chain results in high coordination costs. This deters established firms from making investments in key services such as healthcare. Recent scholarship considers how organizations can manage multi-party coordination and transaction costs in a context of no or low-profits through effective organization design. Coordination is the act of aligning the activities of those engaged in joint action to achieve a desired outcome (e.g., Kotha, George & Srikanth, 2013). Problems that arise from coordination often result from misaligned incentives (Holmstrom & Milgrom, 1994) or the failure to transfer mutual knowledge across teams (Heath & Staudenmayer, 2000; Postrel, 2009). Owing to the community embedded and 'user-centric' nature of service activities at the BOP, coordination problems related to information flows also exist at an individual (customer) and community level, which can create additional organizational costs.

Organization design and organizing practices

Conceptualised as task division and allocation, reward distribution and information flows, organization design can provide useful insights into inclusive service delivery. Finally, recent trends in organization design offer additional granular insights into service delivery in BOP contexts, trends that move beyond generic principles of structure to encompass cognitive processes of sensemaking, creation and discovery, as well as social, economic and political processes of developing and changing programs, policies and routines (Hannan & Freeman, 1977). Previous focus on structure, strategy and systems has overlooked how work is subsequently carried out within the organization as a result of design choices. Although there has been emerging interest in the combination of formal mechanisms and informal practices involved in organizing (McEvily, Soda, & Tortoriello, 2014) the relationship between micro-level actions and organizational level theorising represents a fresh contribution to organization design, shifting from formal structures to the micro-foundations of organizational processes.

3 Institutional Entrepreneurship, Governance and Poverty[1]

In this chapter, we present an in-depth case study of GVK Emergency Management and Research Institute, an Indian public–private partnership (PPP), which successfully brought emergency medical response services to remote and urban settings. Drawing insights from the case, we investigate how the organization established itself through institutional entrepreneurship using a process conceptualized as opportunity framing, entrenchment, and propagation. The case and context highlight the need for innovation in organization design and governance modes to create a new opportunity that connects state actors, private healthcare providers, and the public at large. We consider the role of open innovation and novel business models in creating these service platforms. The implications of our findings for the literature on PPPs, institutional entrepreneurship, inclusive and open innovation, and organization design in base of the pyramid contexts are discussed.

3.1 Introduction

The mainstream management literature has largely been agnostic to the socioeconomic and demographic characteristics of the consumers or end-users. In other words, scholars have made implicit assumptions that are "needs-blind" and that the benefits of innovation accrue to society at large. Over the past two decades, an emergent and resonant dialog highlights that a majority of innovations disproportionately benefits affluent societies; and that there is a dearth of studies examining innovation in less developed contexts. Whereas a rich literature on development economics tackles social interventions that improve the wellbeing of individuals and communities (e.g. Sen, 1999), there is limited organizational literature that addresses how innovation and entrepreneurship can be stimulated, cultivated, employed, deployed and harnessed for the betterment of society, especially individuals and communities in economically impoverished settings (Ashforth, 1989; Bruton, Ahlstrom, & Obloj, 2008).

More recently, researchers call for studies on inclusive innovation, defined as "the development and implementation of new ideas which aspire to create opportunities that enhance social and economic wellbeing for disenfranchised members of society" (George et al., 2012: 663). In contrast to prior work on low-income communities as consumers (e.g., Prahalad, 2007), more recent efforts address how individuals and communities can be successfully seeded to co-create and co-innovate, as well as develop new products and services

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alongside corporations and public institutions as a way of localizing wealth creation, and sharing the benefits that accrue with other participants (e.g. Dutton, Roberts, & Bednar, 2010; Mair et al., 2012). Maintaining the goal as "enfranchisement" of these members of society, the principle behind inclusive innovation and social entrepreneurship is to lift individual and communal aspirations by creating new opportunities that improve social and economic wellbeing (e.g., Dacin, Dacin & Tracey, 2011; Di Domenico, Haugh & Tracey, 2010). The case company in this chapter, GVK Emergency Management and Research Institute (EMRI), an Indian public private partnership (PPP), provides one model of how service platforms can be co-created and designed to reach every section of society, as well as offering improved social and economic well-being to low-income communities.

The co-creation elements of the service make this case especially relevant to studies of open innovation. As opposed to 'open and distributed innovation' which emphasises the potential for innovation at the user level (Von Hippel, 2005), open innovation at the organizational level is conceptualised as 'the use of purposive inflows and outflows of knowledge' to facilitate internal innovation as well as expand external markets for its propagation (Chesbrough, 2003). This definition has since expanded into 'open business models', which combine internal and external ideas together into platforms, architectures and systems, enabling organizations to become more effective in creating and capturing value (Chesbrough, 2006; Zott, Amit & Massa, 2011). By designing a business model, which encompassed inputs from multiple actors, as well as seeking and extending innovation capabilities beyond organizational boundaries, EMRI demonstrates the benefits of adopting open business models in hard to reach and impoverished settings.

Open innovation for services is a phenomenon increasingly studied within the developed world, where most of the top 40 economies in the OECD derive 50% or more of their GDP from the service sector. In this context, studies of large corporations such as IBM, Xerox and GE, have emphasised the trade-off between the efficiency benefits of standardisation and meeting customer needs through customisation (Chesbrough, 2011). 'Service platforms' have been identified as one solution to the problem, where external actors are encouraged to build on the service 'offering', whose originator benefits from economies derived from standardisation. The emergency response service established by EMRI contained a set of interfaces that successfully linked up private hospitals and local political actors, providing an example of how 'service platforms' can provide a low cost and 'open' solution to delivering welfare service to consumers in impoverished and geographically distributed settings.

In this chapter, I address organizational and institutional aspects of inclusive growth as a nascent topic by examining how public-private partnerships can serve as an effective governance model for delivering new services that benefit socioeconomically disadvantaged communities. Recent studies have argued that for-profit Multinational Corporations (MNCs) and public non-profit organizations can form effective partnerships for providing products and services to the poor by acting as institutional entrepreneurs who change the rules of the game and influence social norms (Hall, Matos, Sheehan, & Silvestre, 2012; Halme, Lindeman, & Linna, 2012). Initiatives to shape the institutional environment represent acts of institutional entrepreneurship, where actors (including firms) that envision institutional creation and change become involved in activities such as lobbying for new rules and regulations, developing norms of interaction and influencing the perceptions of key stakeholders (DiMaggio, 1988; Fligstein, 1997). Such involvement in setting the "rules of the game" requires actors to motivate cooperation as well as political imagination that represent their facility at negotiating agreements with actors that possess divergent interests (Jain & George, 2007). In doing so, these actors build legitimacy that is crucial to the enterprise.

This chapter presents a process framework for institutional entrepreneurship in a public private partnership to construct a medical emergency service system in India. It begins with a discussion on the prior state of Indian health and medical services, followed by a focal case study. By observing the condition of emergency services in India prior to the creation of GVK EMRI, it is possible to frame the organization design challenges in Indian emergency medical services that needed to be overcome to provide effective care to patients and reduce mortality rates. Finally, observations on the operational processes of EMRI are interpreted through a theoretical lens of institutional entrepreneurship. Its implications for organizational and management research in facilitating inclusive innovation are also discussed.

3.2 Research setting: Health and emergency care services in India

India had advanced trauma care services long before the concept of "shock" and "trauma" were understood in other parts of the world. "Arthasastra" a book written in 400 BC during the reign of King Chandragupta Maurya recorded that his army had an ambulance service for trauma care (Rangarajan, 1992). Yet since then, Indian emergency services have failed to match global standards -- it is estimated that from being the ninth leading cause of death, trauma will eventually move up to third position by 2020 (Mohan, 2002). Worldwide, 50 million people are injured each year, which is expected to go up by 65% over the next 20 years (Peden, 2004); India would have a large share of injuries with an economic loss of 2% of GDP (Joshipura, Shah, Patel, & Divatia, 2004). India invests just over 4% of GDP on health, which is among the lowest in the large developing economies and lowest among the G20 countries (see Table 6). There was an absence of both physical and human capital and individuals with minimal or no health services training to provide emergency care. The Indian Prime Minister characterized this challenge as: "We have grievously erred in the design of many of our health programs. We have created a delivery model that fragments resources and dissipates energies" (Lahariya, Khandekar, Prasuna, & Meenakshi, 2007). In spite of this introspection, a developing economy has to engage in different trade-offs while balancing its various investments. In India, healthcare investments assumed lower priority relative to expenditures on social and economic growth.

Table 6. Health expenditure ratios in 2009

Ratios	Australia	China	India	UK	USA
Total expenditure on health as a % of GDP	8.5	4.6	4.2	9.4	16.2
Government expenditure on health as a % of total expenditure on health	70.1	50.3	32.8	83.6	48.6
Private expenditure on health as a % of total expenditure on health	32.3	49.7	67.2	16.4	51.4
General government expenditure on health as a % of total government expenditure	18.3	10.3	4.1	15.1	18.7
Private prepaid plans as a % of private expenditure on health	25.7	6.2	2.3	6.7	69.3

Source: World Health Organization – World Health Statistics

Commonly used injury prevention mechanisms and controls were not prevalent in India. The World Health Organization mentions several ways to mitigate and minimise trauma, such as design of safer workplaces, child restraint in automobiles and use of smoke detectors (Sasser, Varghese, Kellermannm, & Lormand, 2005), but these were not common practice. The promotion of awareness, education and research in road-safety measures was not mentioned in official debates or campaigns – instead these tasks were taken up by NGOs. Other laws such as speed limits, use of protective helmets and seat belts, avoiding drunk driving and safe vehicles standards were not strictly enforced. The majority of fatalities were amongst pedestrians, two wheeler riders and bicyclists (Mohan, 2002).

India's economic growth had created some of the best private health facilities but they were not accessible to a majority of low income population. Over 80% of accident victims do not receive medical care within one hour of the accident, 40% of the country did not have access to clean drinking water and less than 30% had a sustainable access to improved sanitation (WHO, 2001), resulting in diseases and emergencies unique to the Indian situation. India also faced major problems in providing emergency medical services to pregnant women who faced life-threatening conditions. In addition, there were differences between the quality of services accessible in urban and rural settings, as well as between paying and non-paying customers. There were no standardized rules for triage, patient delivery decisions, pre-response critical care, pre-hospital and hospital treatment plans or transfer protocols. Only 4% of the ambulance staff had formal training and most ambulances were used for transportation without paramedics (Joshipura et al., 2004). Table 7 provides an overview of the casualties observed in the Indian context relative to UK and USA.

Table 7. Comparative data on casualties

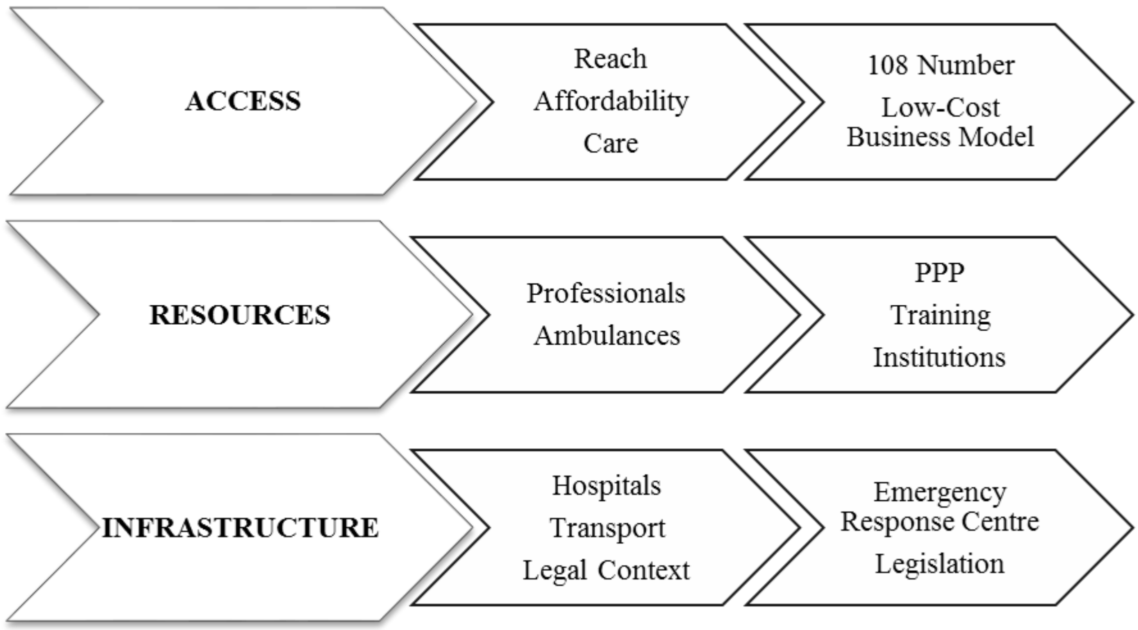
Indicator Type (All figures are no. per 100,000 of the population)	UK	USA	India
Number of deaths in road accidents	6.06	14.75	20.98
Poisoning	1.85	6.75	8.9
Falls	3.45	3.96	12.17
Fires	0.58	0.97	14.33
Drowning	0.35	1.15	6.67
Other Unintentional Injuries	4.63	5.77	25.67
Self-inflicted injuries	7.06	10.22	18.58
Violence (riots, terrorism etc.)	2.04	6.18	6.54
Prematurity and low birth rate	3.47	3.13	26.28

Source: World Health Organization – World Health Statistics for 2003

3.2.1 Gaps in emergency services: Access, resources and infrastructure

The Indian context posed some unique challenges to the implementation of a ubiquitous emergency healthcare solution in the subcontinent. India lacked several basic amenities that were present in developed economies. Although not exhaustive, the problems EMRI faced in implementing their business model related to three areas: access, resources and infrastructure (Figure 2), each representing inherent challenges to any public or private enterprise looking to introduce emergency healthcare services to remote parts of India.

Figure 2. Challenges of access, resources and infrastructure



Problems of access

Emergency Number: A central number existed for the police, and a different number for the fire department, but none for medical emergencies. All medical emergencies thus required a phone call to local private hospital or ambulance services. Affordability: Private medical facilities were expensive and a large section of society could not afford them. Instead, they had to resort to public medical facilities which were constantly overburdened. The ambulance service was particularly costly to maintain at a local level. There was a need to reduce costs despite them not being able charge people. Often a majority of patients and their families were pushed into poverty to cover the costs of healthcare.

Resource scarcity

Training: Only a few courses in emergency care had been evaluated in India. The advanced trauma life support course, although very expensive, had been evaluated rigorously and had resulted in improved healthcare delivery in many areas. The available courses in India ranged from $50 to $700 per trainee. The expensive advanced trauma life support course was trusted worldwide but did not take into consideration local conditions or capabilities. The less expensive courses, which were locally developed, took these into consideration but were not deemed to add sufficient value not having been evaluated by any third party -- this created a lack of trained professionals who could provide a reasonable standard of emergency healthcare services in the localities. Ambulances: In terms of local hospitals and ambulances, the fact that medical facilities were not linked to a single number meant there was also limited access to an ambulance when it was needed most. The majority of patients, even in urban locations, were taken to hospital in private vehicles; and the situation in rural areas was far worse.

Infrastructure challenges

Hospitals: As most people suffering injuries or emergencies were from low-income households, they accessed public hospitals run by the government, which were overwhelmed with a large number of non-paying patients. Hence the care provided was basic. Transport: Ambulances would also need accurate maps and road signs that might not be available for many districts, especially in rural parts of India. Traffic congestion, poor maps and road signs would not help translate estimates to an actual response time in India. The model adopted would have to take into consideration long and short response times along with the level of facilities and resources available.

Legal Framework: Meanwhile, there was a potentially debilitative legal framework prevalent in India at the time. It meant that ordinary people were hesitant to help others in need due to the annoyance expressed by police. In response to this, the Supreme Court of India released a verdict that protected individuals attempting to save lives during a crisis, a ruling that allowed ordinary citizens to help the injured or ill without fear of legal harassment.

In sum, Indian emergency services suffered from a lack of resources and infrastructure, as well as inadequacy of information which created problems of access. Any effort to transform this sector would require confronting these challenges by devising an appropriate, low-cost business model as well as engaging with multiple stakeholders to overcome the institutional vacuum present in emergency medical services.

3.3 Findings

Opportunity framing, entrenchment and propagation

In this context, Emergency Management and Research Institute was formed in 2005 to provide first responder services in Andhra Pradesh, a southern state of India in its capital city, Hyderabad. The venture itself was the philanthropic brainchild of Mr. Ramalinga Raju, a software entrepreneur who formed the company Satyam. EMRI had a vision to provide low cost emergency medical services. Raju provided initial seed funding of £4 million to begin the project, which was first headed up by Venkat Changavalli, a professional manager and CEO, who had previously headed a successful multinational enterprise subsidiary in India. In 2009, GVK, an infrastructure company, took over the operations of EMRI (becoming GVK EMRI) after the original founder Mr. Raju was arrested for accounting irregularities in his software company.

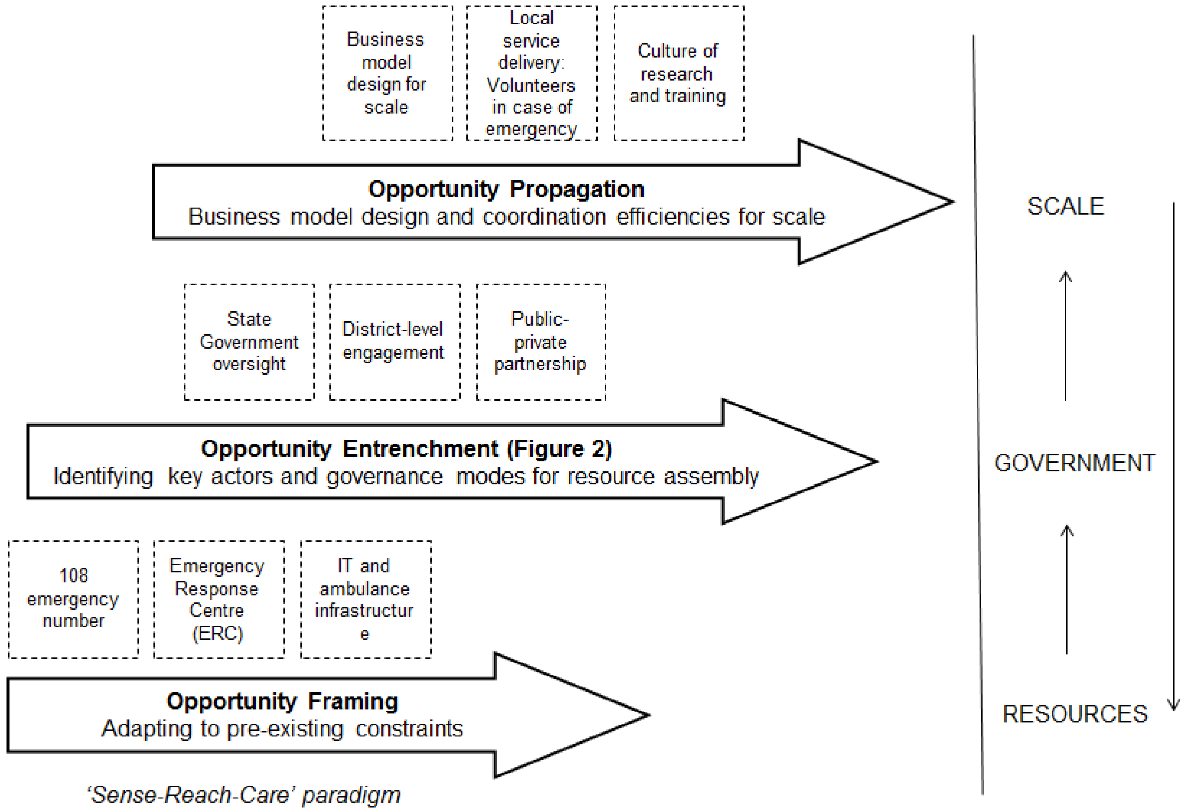
Since 2005, EMRI has grown from servicing one State to 14 States, responding to 30 million emergencies and saving over 1 million lives annually by 2013. EMRI supplies 800 ambulances and responds to 3500 emergencies a day in Andhra Pradesh alone. It manages a fleet of over 4500 ambulances in India. EMRI's growth and brief history is shown in Table 8.

Table 8. Timeline of EMRI

Date	Event
02-Apr-05	Memorandum of understanding (MoU) with the Government of Andhra Pradesh
15-Aug-05	108 services were launched in Andhra Pradesh
31-Dec-05	EMRI covered 5 towns with its 30 Ambulances covering a population of 15 million
31-Mar-06	EMRI new centre inauguration
26-Jan-07	108 services expansion to rural Andhra Pradesh
09-May-07	Agreement with Stanford USA for commencing 2 Year PGPEC
29-Aug-07	Inauguration of 108 services in Gujarat
05-Oct-07	MoU with the Government of Andhra Pradesh for Funding
25-Nov-07	Signed MoU with the Government of Madhya Pradesh
01-Dec-07	15 PRICE (Prime Responders In Case of Emergencies) Vehicles were launched. These specially equipped bikes can reach the victim quickly.
08-Mar-08	MoU with the Government of Uttarakhand
14-Jun-08	MoU with the government of Goa
08-Jul-08	Agreement with the Government of Assam
14-Aug-08	MoU with the Government of Karnataka
15-Sep-08	MoU signed between Tamil Nadu Government and EMRI
05-Nov-08	MoU with the Government of Meghalaya
17-May-10	MoU with the Government of Chhattisgarh
09-Jul-10	EMRI launches 108 services in Himachal Pradesh

To provide an effective emergency service solution in this problematic context, EMRI had to overcome institutional voids by building legitimacy through engagement with different actors on multiple levels. In this section, the process by which EMRI managed to bring about fundamental change in the delivery of emergency healthcare services in India is defined. It was achieved in three stages (Figure 3): Opportunity framing, in conceiving the sense-reach-care paradigm; opportunity entrenchment by engaging necessary actors through an effective public-private-partnership and finally opportunity propagation using a low-cost business model and local service delivery to achieve scale.

Figure 3. Process of institutional entrepreneurship



Institutional entrepreneurship refers to 'the activities of actors who have interest in particular institutional arrangements who leverage resources to create new institutions or to transform existing ones' (Maguire, Hardy & Lawrence, 2004: 657). These actors 'create a whole new system of meaning that ties the functioning of disparate sets of institutions together' (Garud, Jain & Kumaraswamy, 2002). As a concept, it has encouraged the study of institutional processes in emerging fields to understand how organizations can influence their environment and effect change (Greenwood, Hinings, & Suddaby, 2002). In this way it combines agency, interests and power to organizational analysis, each of which we observe in the activities pursued by EMRI through opportunity framing, entrenchment and propagation.

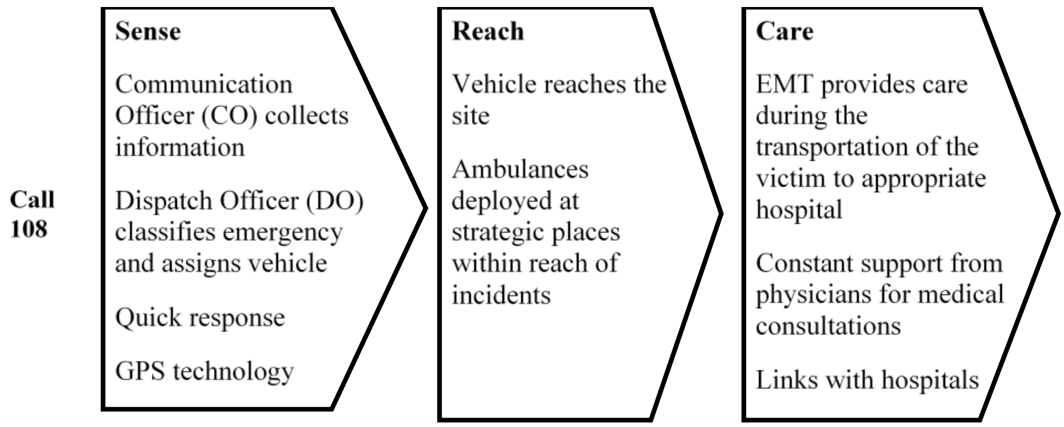
The focus on 'opportunity' relates to the entrepreneurship literature, where it has emerged as a central construct (Kirzner, 1997; Shane & Venkatamaran, 2000; Alvarez & Barney, 2007). While entrepreneurship scholars have previously been concerned with what determines the nature, character and discovery of opportunities (Companys & McMullen, 2007), more recent scholarship has focused on action theory, specifically how beliefs are formed through a process of discovery, evaluation and subsequent action (McMullen & Shepherd, 2006; Shepherd, McMullen & Jennings, 2007; Baron & Ensley, 2006). In the development of our analytical framework, we are concerned with the institutional processes of how entrepreneurs manipulate means and cognitive frameworks to change preferences and enact opportunities. However as part of this, a key stage in this process is how our focal organization came to discover, evaluate or 'frame' the opportunity for establishing a more effective model of emergency healthcare services in India.

3.3.1 Opportunity framing: Sense-reach-care paradigm

EMRI realised that a readymade solution would not work in India as had proven true for many failed businesses that had tried to adopt foreign models in India. The general observation was that the bureaucracy, difference in business practices as well as corruption tended to magnify the shortcomings of the models. The opportunity had to be framed in such a way that EMRI's organization design could be tailored to the Indian customer. The pilot program of emergency medical services was therefore initiated in the state of Andhra Pradesh, which had a population of 80 million.

Venkat, the CEO, leveraged the process excellence of Satyam Computers (now Tech Mahindra), and capabilities in technology, process, project management, and design – "this is what we're good at" and framed the opportunity by designing the EMRI business model along the Sense-Reach-Care paradigm. In our interview, he observed that, "EMRI has developed the sense-reach-care paradigm for emergency management, as it demands a synergistic effect of technology, process and people who care." To achieve this objective the same level of process rigor and analysis that was prevalent in for-profit businesses was applied and the systems thinking discipline was brought to the various sub-tasks for the Sense-Reach-Care paradigm. In an interview, a senior executive said, "we wanted to innovate in each sub-task across this cycle. We counted 52 innovations in all across these three."

Figure 4. The sense-reach-care paradigm



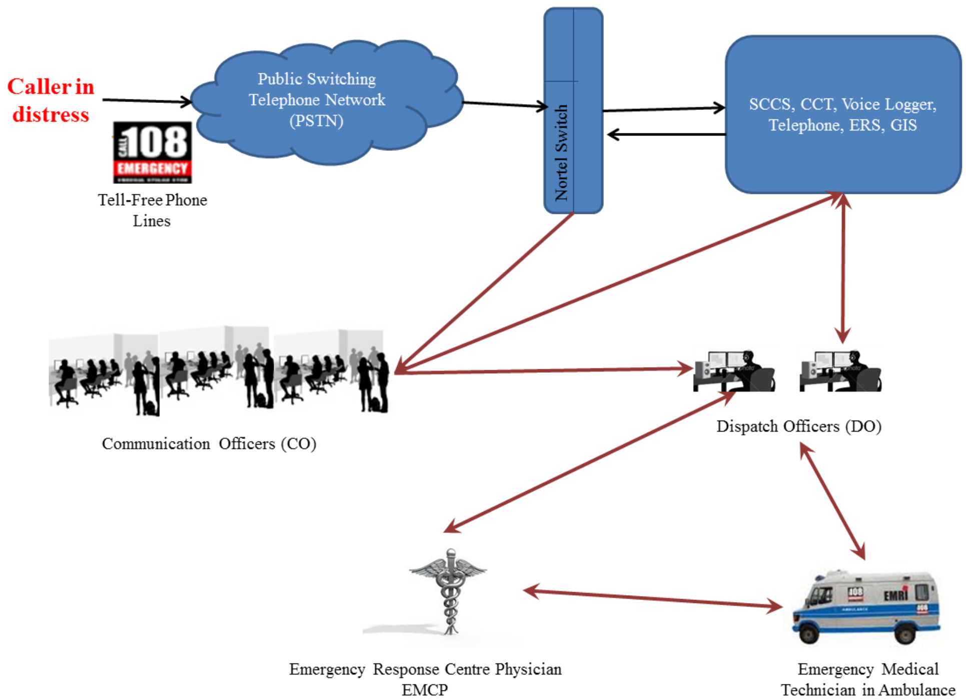
108: Emergency Call Number: EMRI was given a three-digit number, 108 by the Government of India at the request of the Government of Andhra Pradesh. A toll-free telephone number was designated to report any kind of emergency: medical, police or fire. The number 108 was chosen due to its importance in the Indian context which would have higher recall value as compared to any other number. This number is thought to be sacred in many religions and traditions, such as Hinduism, Buddhism, Jainism, and Sikhism.

Sense: During this stage, information is taken from the caller regarding the emergency which is used to mobilize a response on behalf of the Emergency Response Centre (ERC). A set procedure relevant to individual emergencies had been established and depending on the caller's emergency, one of the procedures was put into action. The first interface between the caller and the response team was the Communication Officer (CO) who collected and recorded all facts regarding the emergency within 30 seconds. CO had to take down the information in a fixed format and immediately transfer it to a Dispatch Officer (DO). The decision on the course of action rests with the DO. So, DO identifies the landmarks near the location of the emergency and communicates this information to the staff on the ambulance closest to it. In the case of police or fire incidents, the local state police office or fire department is instantly notified with full information.

Reach: From the time an emergency is reported and logged, EMRI aspires to reach the patient within 20 minutes. As part of resource allocation, the limited resources at its disposal are maximised, hence some ambulances are fitted with Advanced Life Support systems and some with Basic Life Support and dispatched depending on the nature of the emergency; this made sense in the early stages of the project where the actual number of advanced and basic emergencies was not known to EMRI. The decision to send the appropriate ambulance was usually made by the DO, but in more complicated or developing situations, the decision was left to an in-house Emergency Response Centre Physician (ERCP). Once the appropriate ambulance is dispatched, an Emergency Medical Technician (EMT) on this ambulance takes over the communication management with the victim. EMT provides information and provides an approximate time that an ambulance will arrive on site.

Care: When the ambulance reaches the scene, the patient is transferred to an appropriate hospital. An EMT takes the necessary precautions to stabilize the patient in order to carry him to the nearest hospital. In addition, the EMT can be on a conference call to receive guidance from an Emergency Response Centre Physician (ERCP) available 24x7. The DO monitors the scene and can be on a conference call providing directions to the van. The team of ERCP collects the patient's vital signs and guides the EMT on providing the pre-hospital care to the patient whilst in transit to the hospital. The ERCP also contacts the hospital to provide pre-arrival instructions. This results in a faster, more effective response by the hospital. A Patient Care Record (PCR) is prepared in transit, which is then passed on to the receiving hospital. A copy of the same is also handed to EMRI head office later. A follow-up is carried out after 48 hours to assess the impact of care given to every patient. An overview can be seen in Figure 5.

Figure 5. EMRI call handling operation



Source: Adapted from EMRI documents

EMRI infrastructure was divided into three core areas: Emergency Response Centre, IT infrastructure, and ambulances.

Emergency Response Centre: The emergency calls are routed to this central node and all activities are directed, controlled, analysed and researched at this location. Emergency Response Centre was created with a seating capacity for 76 communication and dispatch officers.

IT Infrastructure: This included fully automated PBX/Telecom Switch, Computer Telephony Integration (CTI) Server, Call Centre Server (CCS), Voice loggers, and Interactive Voice Response System.

Ambulances: Ambulances were deployed in a way that they could minimize the response and transportation time. EMRI identified three key elements along which their ambulances were developed: Patient care, Driver comfort and Public Safety. The Indian-built ambulances were uniquely designed to handle 48 kinds of emergencies at an economical cost, and were equipped with the latest communication equipment to ensure patient and public safety. One interviewee executive explained: “In India the situation was different, the relatives (are concerned) and fight with the patient to get in. This meant having to create adequate space for the patient and up to three relatives.”

The narrow roads, fires, floods and terrorist activities required ambulances that were suitable for the Indian condition. The ambulances were fabricated with Fibre Reinforced Plastic that render them fire resistant and provide thermoregulation and noise regulation. This ambulance also had a low loading height, which made it simpler and more economical to develop an automatic loading stretcher. In addition, a battery backup provides power to patient life support units and other services within the ambulance, which can also be charged from external ports at accident sites. The ambulance is equipped with extrication tools, fire extinguishers, rescue blankets, shovels, public address system, a defibrillator, and five different kinds of stretchers. Taking into account the likely delays during travel from the site of the accident to the hospital, the ambulance includes an oxygen cylinder that can provide continuous oxygen supply for up to 8 hours. EMRI was able to design these ambulances at one-fourth the cost compared to similar ones abroad. As the CEO explained: “Such ambulances in UK cost £65,000 and £165 on average was spent on a single trip. We could produce the same at £15,000 and reduce the trip costs to £5. This was essential as the service had to be free for all.” An overview of the Sense-Reach-Care paradigm is shown in Figure 4.

3.3.2 Opportunity entrenchment: Legitimacy-creation and multiparty engagement

Building legitimacy in new and nascent fields requires key actors to engage in a process of institutional entrepreneurship (Selznick, 1957; DiMaggio, 1988, Fligstein, 1997). This involves the mobilisation of resources to create new institutional logics or transform existing frameworks by spreading knowledge of innovation and ensuring its acceptance by key stakeholders (Jain & George, 2007). This process of 'institutionalisation', which we define as 'opportunity entrenchment' involves a series of legitimation activities, such as allying, lobbying, co-opting or contesting other actors in an attempt to create the underlying socio-political and cognitive infrastructure required to sustain interactions between different actors (Van de Ven & Garud, 1994). It can also enable entrepreneurial actors to define organizational boundaries and dominate nascent markets through the adoption of 'soft power' strategies (Santos & Eisenhardt, 2009).

Another strand of theory considers the socio-cognitive processes behind the construction of shared meaning in new market categories and how it shapes perceptions of value within the field (Khaire & Wadhwani, 2010). In this literature, categories act as institutions that facilitate exchange and shape economic outcomes by informing perceptions in new product and service markets. These processes have been investigated at the level of organizational networks, specifically in tight-knit industries such as biotechnology, where structural components can evolve through inter-organizational collaborations and the formation of sub-networks which condition choices and opportunities available to the members of institutional fields (Powell, White, Koput, & Owen-Smith 2005). Our case illustrates how a similar process occurs within a weak institutional environment, providing insights into how EMRI influenced State and non-state actors to adopt their service platform and form a public private partnership through a process of opportunity entrenchment.

During the Tenth 5 Year Plan, the Government of India drew a conceptual model to promote effective utilization of resources targeted towards health and related infrastructure in India. As an executive added, "Any common man will think that these things can be done by the government...He will only respect when the government is involved.... That man thinks: is the CM (Chief Minister) supporting? Is the police supporting? Is the district collector and the local MP behind this?" This highlights the importance of legitimacy granted by engaging closely with the Government. EMRI needed commitment from politicians and police that ordinary Indians would not be harassed if they used EMRI's emergency services. To do so, EMRI worked directly with the police to publicize that people need not worry about getting tangled up in police investigations.

On top of building widespread legitimacy within the local environment, EMRI wanted to work closely with the government to find a way in which it might achieve the national scale that EMRI had envisioned from the outset. Government intervention and financing was therefore crucial for future development. EMRI initially signed a memorandum of understanding with the state government of Andhra Pradesh. As EMRI's early activities were self-funded, the government was initially engaged simply to provide oversight of their operations. Hence, every three months there was an advisory council meeting with State officials (chief secretary, health secretary, finance secretary, home secretary and revenue secretary) who discussed all issues related to EMRI's operations. EMRI also introduced a similar meeting every three months at the district level, with the District Collector and the Superintendent of Police, in order to review performance and discuss local challenges. In this way, EMRI could collect information from the grassroots, as well as from the top of the government to better streamline operations with the State.

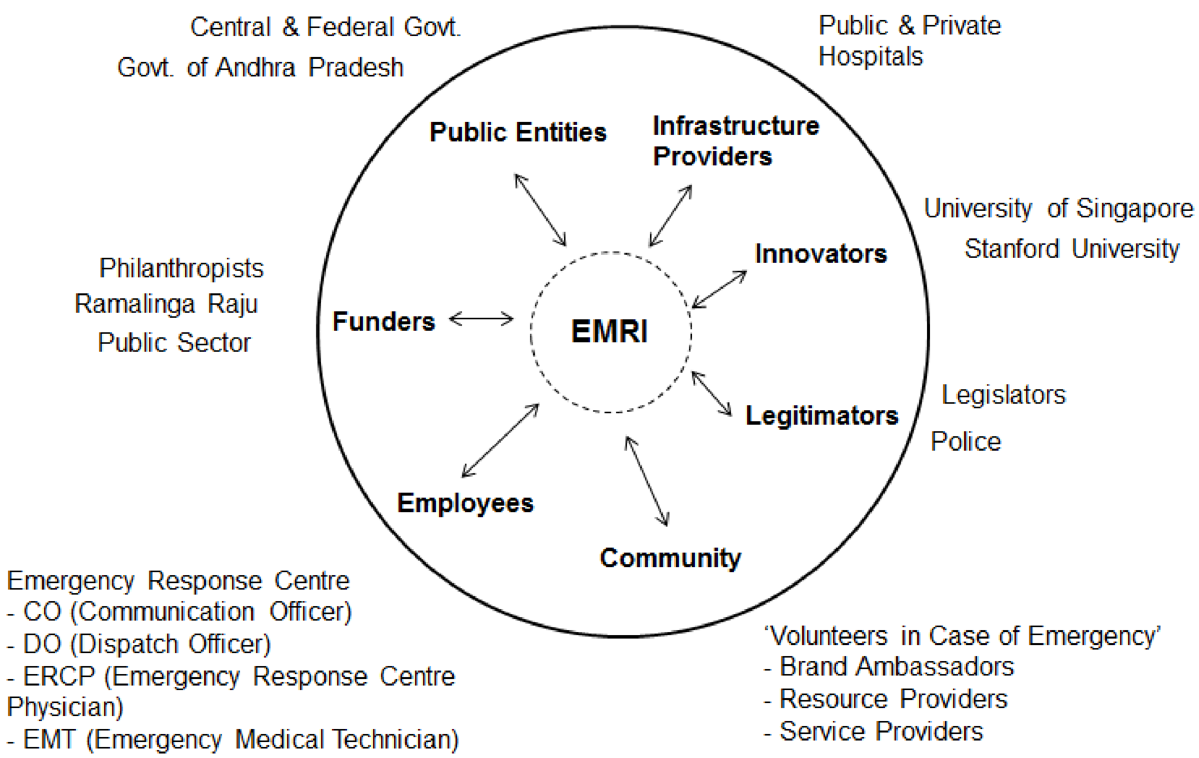
Creating a Public-Private-Partnership

Once the Government became involved in the project, EMRI strengthened the relationship by developing a partnership which would enable it to scale up the emergency services. However, the creation of a PPP,[2] was not without challenges. EMRI's executive explained that: "CM (chief minister of the state) was asked to fund one-third of the costs." Although the government was asked to fund few ambulances in the first instance, the health secretary eventually sanctioned money for 110 ambulances and asked EMRI to run them on the government's behalf. There was a problem in that the health secretary wanted to buy the same Basic Life Support Ambulances that EMRI used, at the one fourth of their original cost. For EMRI this was impossible, having spent time and energy into developing the low-cost ambulance, they knew the price could not be driven down further. The health secretary also suggested that EMRI could charge the patients for the services, which EMRI was reluctant to do. Subsequently after much discussion, the initial attempt to establish a PPP fell through. In subsequent discussions, it was suggested that EMRI would pay the difference in costs and run the ambulances themselves. As a gesture of goodwill towards the government, which would eventually bear

[2] Though we call it PPP, the contracts between EMRI and the state governments calls the relationship as "Public Private Not-for-Profit Partnership"

fruit for EMRI, they accepted and a PPP framework was established. After one year of operations, the government decided to finance a majority of its emergency services operation. EMRI's relationship with key actors is presented in Figure 6.

<u>Figure 6. Interactions with key actors in the delivery of emergency healthcare services</u>



3.3.3 Opportunity propagation and achieving scale

The process of institutional entrepreneurship in emerging fields has been well documented in developed countries (Garud et al., 2002). In the context of HIV/Aids treatment in Canada, firm activities are broken down into the occupation of 'subject positions' that bridge multiple stakeholders, informal formulation of new practices, which become institutionalised by connecting them to stakeholder routines and values (Maguire et al., 2004). This process, which we term 'propagation', is fundamental to the success of new ventures based on emerging technologies as well as the creation of new organizational forms, arising from institutional entrepreneurship (Tracey, Philips & Jarvis, 2011). In the context of EMRI, we discuss how this process of formulating new practices and their institutionalisation in the routines and values of local political and business actors enabled it to achieve scale and establish their service platform as the dominant model for emergency healthcare services in North Western India.

Gaining legitimacy and financial support for a new delivery model of emergency healthcare services required engagement with multiple actors (Figure 6). However, in terms of building a sustainable business model that would scale across parts of India, the issue of financing in the PPP was a key factor. In the early stages, EMRI had developed an efficient transactive structure for coping with the high coordination costs involved in emergency service operations. However, to achieve scale the business required government funding acquired through a public private partnership.

Following the initial PPP agreement, funding was willingly introduced through the State budget for ambulances, which were run on a 50:50 sharing basis. The following year, the government was ready to finance more ambulances, but by now EMRI's overheads had increased, meaning that in future this arrangement would not work. Yet by this point, they had firmly entrenched themselves within the local community, having built up sufficient legitimacy for people to have taken to using EMRI's services throughout the state. With elections approaching, the government, wanting to be seen as doing something good for the people, agreed to purchase all the ambulances. EMRI requested the government sponsor their operational expenses, which by then, the government was so committed to the project they agreed to all requests put forward by EMRI. The government provided funds to meet all costs for the centre, property and technology hardware as well as the ambulance costs, to the extent that 90% of operational expenses were now funded by the government.

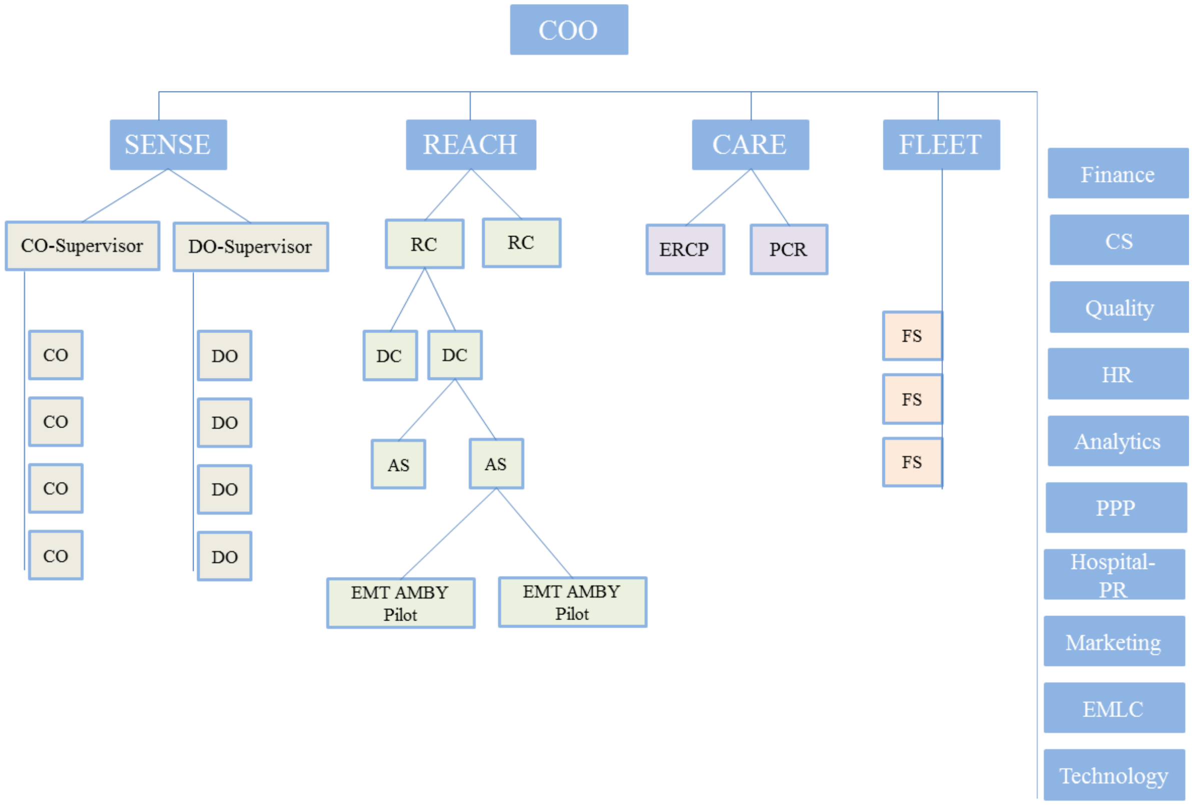
Legal risks such as protecting the staff were also absorbed by the government so that EMRI, being a non-profit organization, would not be vulnerable to legal action arising from customer dissatisfaction. A major challenge for any project involving government would be the transience of political parties. Hence, short-term contracts would run the risk of being overturned once the government changed. EMRI wanted to insulate the emergency services from any such risk inherent in the Indian political system. The PPP agreement was signed to extend for a course of ten years.

Building capabilities for local service delivery: 'Volunteers In Case of Emergency'

The three stages of Sense-Reach-Care at this point embedded in EMRI's internal business processes were well organized and helped it respond to emergencies in an appropriate manner.

However, EMRI realized that the scale and effectiveness of the model would increase significantly if volunteers could act at the lowest end to make up for the operational and infrastructural shortcoming within the local Indian context. Hence, a volunteer network with each volunteer serving as a Brand Ambassador, Resource Provider or Service Provider. This network was called ‘Volunteers In Case of Emergency’. Brand Ambassadors created awareness about EMRI, 108 services and enabled people to access emergency services effectively in their respective area. Resource Providers provided essential resource to the victims during emergencies, as well as to EMRI field personnel for rendering effective emergency services. Service providers were to render timely skill-based services in the process of saving lives. For example, if a volunteer is a doctor, they could administer pre-hospital care before the ambulance reaches the victim. Volunteers also provided some generic services such as reporting emergencies to help those without access to a telephone or accompanying victims to the hospital. The organizational structure at a State level is shown in Figure 7.

Figure 7. EMRI's organizational structure at state-level



Legend	Description	Legend	Description
AS	Ambulance Supervisor	ERCP	Emergency Response Centre Physician
CO	Communication Officer	FM	Fleet Manager
CS	Communication Services	FS	Fleet Supervisors
DC	District Coordinator	PCR	Patient Care Record
DO	District Officer	Pilot	Trained Driver
EMLC	Emergency Medical Learning Centre	PPP	Public Private Partnership
EMT	Emergency Medical Technician	RC	Regional Coordinator

Source: Adapted from EMRI documents

Due to resource scarcity, the most valuable characteristic of this volunteer network was that it could effectively scale up to a national level. By enabling local service delivery in this way, EMRI could design a low-cost business model that was acceptable to the Indian government as well as other stakeholders such as public and private healthcare providers.

Culture of research and training

According to EMRI, research and training was crucial to the company's long-term sustainability and ambitions for achieving scale. Research could help them adapt their resources to specific Indian circumstances. EMRI created a three-winged research team, which consisted of medical, systems and operations researchers. The medical research team considered issues around interventions in specific emergency conditions, innovations in interventions, capacities and capabilities. The systems research team studied best practices in emergency medical services around the world. Finally, operations researchers were concerned with better application of available resources and reconfiguration of processes. Similarly, training emergency services personnel was essential for EMRI to build capacity. This was also essential to overcome deficiencies in the system and infrastructure. Consequently, EMRI signed an agreement with Stanford School of Medicine to provide training for Emergency Medical Technicians. Also in association with Stanford, EMRI initiated a two-year Postgraduate Program in Emergency Care. A similar agreement was reached with Singapore Health Services to provide training for doctors.

3.4 Discussion and future research directions

It is paradoxical that 40% of India's population should live below the poverty line when the economy is growing at a rate of 6-8% per annum (in GDP terms). The fact that until recently the majority of people in India could not afford essential emergency care services, and that individually both public and private sectors had been unable to overcome this problem, makes EMRI a salient case in point. Within this context, theories of institutional entrepreneurship and public private partnerships (PPPs) help us understand how EMRI managed to incorporate the strengths of public and private players to overcome the failures of both the government and the market to initiate emergency healthcare services. GVK EMRI via an effective PPP model has managed to establish itself as the number one provider of emergency services in India, achieving rapid scale with over 3,400 ambulances in 14 regions across India. With average response time of less than 20 minutes, effective coordination and process design has enabled EMRI to respond to 30 million emergencies, and have adopted a tag line 'saving one million lives every year'.

Our case study provides much insight into questions arising from scholarly interest in innovation for inclusive growth. Questions those as yet remain unanswered by current management theory, such as which types of governance modes are most suited to delivering inclusive innovation? What role does institutional entrepreneurship play in overcoming resource constraints and transforming the status quo? And what determines the success or failure of top-down versus bottom-up innovations? (George et al., 2012)

EMRI provide a unique set of starting conditions for discussions of inclusive innovation by tackling key issues in the organization, distribution and allocation of benefits resulting from initiatives to deliver essential welfare services. In this section, we evaluate some of the current theories in strategy, entrepreneurship and innovation that are relevant in our context to theories of innovation for inclusive growth. Specifically, we provide new perspectives on PPPs as effective governance modes for inclusive innovation; bottom-up innovation and the effects of institutional entrepreneurship in overcoming the rules and norms of public and private activity (e.g., Jain & George, 2007) and coordination costs and organization design (e.g., Kotha, George & Srikanth, 2013) in the delivery of welfare services under resource constraints.

Public Private Partnerships and theories of governance

A perceived failure of many modernization and dependency approaches towards poverty alleviation by top-down policy interventions has led to the emergence of alternative market-based solutions (Roxas & Ungson, 2011). A growing body of literature has shifted the focus towards multinational corporations, arguing that they must think beyond maximising their profits and take a more active role in social welfare and delivering innovation for inclusive growth (Guthrie & Durand, 2008; Hinings & Greenwood, 2002; Khavul & Bruton, 2013).

Companies are increasingly expected to provide innovative solutions to global problems such as climate change, poverty and hunger, despite their primary economic function supposedly being to maximize shareholder returns (Margolis & Walsh, 2003). By arguing that MNCs can pursue both profit and social welfare simultaneously, the emphasis has so far been on the untapped market at the 'Base of the Pyramid' (BoP) within which companies can improve the lives of billions of people by selling affordable products and enfranchising them as both consumers and employees (Kistruck, Beamish, Qureshi & Sutter, 2013; London and Hart, 2004; Prahalad, 2007). In this way, poverty alleviation and profit are neither mutually exclusive nor irreconcilable within the context of an enterprise-based market system.

Organization scholars and economists are becoming increasingly concerned with the question of what determines the boundaries between public and private activity as well as what are the social and economic implications of these choices (Hart, 2003; Mahoney, McGahan & Pitelis, 2009). Driven by the presence of positive externalities, resource complementarities and cost efficiencies, new and emerging forms of public-private collaborations are redefining governance in these two sectors (Kivleniece & Quelin, 2012), turning public-private-partnerships into a new management buzzword.

While much work has been done to understand the ideal preconditions (Rangan, Samii & Van Wassenhove, 2006) as well as governance attributes and inherent tensions between private rent-driven objectives and wider social welfare benefits (Margolis & Walsh, 2003), only recent PPP literature examines the underlying value-creation and capture mechanisms to address the question of who benefits from these partnerships and how (Kivleniece & Quelin, 2012). EMRI provides a unique context for assessing value creation in PPPs, in the case of the private actor being a non-profit organization.

In the PPP model, a private player supported by a public sector authority assumes the financial, technical and operational risk of delivering a public service to enable strategies that might later be absorbed by the government. Different organizational forms have been discussed in the context of inclusive innovation, such as partnerships with non-governmental organizations (NGOs) or charities providing viable access to remote communities (Jain & George, 2007). However, current literature provides little insight into how organizational actors select among different governance alternatives and what determines their long-term performance. In addition, while PPPs have been described as social and knowledge bridges connecting isolated communities (McDermott, Corredoira, & Kruse, 2009), existing case studies have not yet been subject to analysis to determine whether they represent a viable model for delivering inclusive innovation.

In the context of health education and sanitation in developing countries, PPPs such as the Global Handwashing Initiative led by the World Bank and Indian government enterprise HLL Lifecare, have been used to demonstrate how diverse motivations of key stakeholders produce inherent tensions, such as the political roadblocks that stifled HLL's plans to deliver health education and expand the soap market in India (Prahalad, 2007). In contrast, EMRI is an example of successful collaboration between a private organization and the State to provide an essential public health service. These alternative governance modes such as 'co-creation' with private partners have brought about new business models for delivering inclusive innovation under resource-constraints.

EMRI is just one of many PPP examples whereby innovation, risk sharing and regulatory support have made possible social innovations that benefit the disenfranchised. For instance, in the delivery of local education, a country such as India faces problems of access and coordination costs both in placing skilled teachers and introducing standardized learning materials in local schools. The Indian Government sought to overcome these problems by working alongside research institutions and private partners to develop the $35 Sakshat Tablet. Equipped with all the functionality for email, internet browsing and video streaming, this PPP leverages the development expertise of UK company DataWind, the low-cost manufacturing capabilities of Quad in India and the coordination and distribution access of the State to meet the goal of linking 25,000 colleges and 400 universities in a national e-learning program which hopes to bridge the ‘digital divide between those children with computer and internet access and those without.

Institutional entrepreneurship

In the case of EMRI, the deployment of emergency services by a private sector participant necessitated new institutional norms and entrepreneurship to introduce a model that would ensure goal alignment and balance incentives of multiple stakeholders. Fundamentally, institutional entrepreneurship tests the organization’s ability to establish legitimacy amongst key players by transforming the underlying norms and behaviours of how an ecosystem operates (Van de Ven & Garud, 1994). There are multiple facets to how institutional entrepreneurship operates in the case of EMRI. Changing the “rules of the game” requires the organization to incorporate its own goals and procedures into the institutional environment (Hirsch, 1975; Meyer & Rowan, 1977). While EMRI expanded by lobbying the support of State politicians and bureaucrats, the organization simultaneously had to align their own goals with those of private players who provide the majority of hospital care in India, thus developing norms of interaction and influencing the perceptions of key stakeholders (DiMaggio, 1988; Fligstein, 1997). These players had to be coordinated and incentivized to carry out the effective deployment of emergency services in remote locations.

The effectiveness of different incentive mechanisms in aligning the interests of key players has both theoretical and practical relevance. Despite the tendency for public and private institutions to diverge in their objectives for inclusive innovation, our case would suggest they can be reconciled by sufficient incentives and coordination efforts enacted by an external agent. There have been many studies on institutional entrepreneurship within different industry contexts. Most suggest a degree of openness within the institutional environment towards change through creative agency, particularly in the adoption of technological innovations (Garud et al., 2002; Munir & Phillips, 2005). But while prior research has focussed on the conditions that enable institutional entrepreneurship (Greenwood & Suddaby, 2006) or the specific activities that take place (Maguire et al., 2004; Dorado, 2005), this study follows on from another strand that focuses on how the identity of the institutional entrepreneur influences its context (Jain & George, 2007).

In our context, gaps in emergency medical services required an outside actor, in this case a technology software outsourcing company, to introduce new norms and practices to a divided ecosystem of public and private agents. The challenge as a PPP was coordinating both sides to overcome basic obstacles, including the introduction of a single emergency phone number, the availability and affordability of ambulance services in remote locations and getting around a difficult legal framework.

Other exemplars exist in health services as well; for example, Merck for Mothers is a not for profit organization committed to preventing death from complications during pregnancy and childbirth. Working with governments, international organizations, health professionals and a network of volunteers on the front line, Merck identifies innovations that might help save mother's lives, to guide investment decisions in accessible and affordable maternal health solutions and encourage multi-sector involvement across public and private institutions.

Coordination costs and business model design

The geographic dispersion of rural communities in India and the lack of integration between public and private healthcare providers result in high coordination costs; this deters established firms from making investments in key areas of healthcare. Our case study provides insight into how organizations can manage multi-party coordination and transaction costs in a context of no or low-profits through effective business model design.

Coordination is the act of aligning the activities of those engaged in joint action to achieve a desired outcome (e.g., Kotha, George & Srikanth, 2013). Problems that arise from coordination often result from misaligned incentives (Holmstrom & Milgrom, 1994) or the failure to transfer mutual knowledge across teams (Heath & Staudenmayer, 2000; Postrel, 2009). Team co-ordination is of particular concern in the case of EMRI due to the complex and fragmented nature of emergency response services, which require a large number of multi-skilled teams working together at different stages. Organizational scholars would suggest these difficulties are exacerbated when specialists from different knowledge domains work together. EMRI demonstrates the importance of service design and effective interfaces between interdependent players. Our case illustrates that by leveraging the company's core competences (technology, process, project management and design), EMRI was able to construct a model whereby essential information could be transferred and coordinated across different stakeholders without bearing the cost of delivering the service. From the designation of a toll free telephone number and alert system, to ambulance dispatch and a network of volunteers in rural communities, EMRI instituted a new ecosystem in which healthcare providers could operate.

EMRI started out with a vision to provide low cost emergency medical services in the Southern region of India. Borrowing elements from emergency delivery models in the UK, France and Germany, it devised a highly idiosyncratic business model, which could be applied to a context such as India. Literary emphasis on business models as a construct for understanding value creation (Amit & Zott, 2001) takes on a new meaning in this case, with success being measured in terms of societal value as well as the value delivered to key stakeholders within the government and private healthcare providers.

Moreover, its contribution to business model literature centres on how organizational costs were minimised as a result of a highly efficient transactive structure i.e. business model configuration which defines key transactions with partners and stakeholders (George & Bock, 2011). The transactive theme has been applied extensively in the context of e-business, most especially the dot-com boom, yet in this case it can be applied to low-cost innovation under resource constraints where the fit between business model and strategy is similarly important (Amit & Zott, 2001; Bock, Opsahl, George, & Gann 2012). It involves the company making strategic decisions on which element of the service to prioritise and be involved within the ecosystem. Some business models shift their transaction risk disproportionately to outside of their organization in order to keep costs down (Fiet & Patel, 2008). While the cost of service provision was largely borne by the State, EMRI took a similar approach as the service provider, but did so in a way that allowed the State to bear a lower absolute cost burden. Therefore, by focussing on efficiencies in organizational structure and technology deployment through its call centres, the company could deliver a high quality service at a very low cost level.

Capabilities, wellbeing and social welfare

Scholars have emphasized the development of capabilities that are intrinsic to communities as central to poverty alleviation in developing countries (Sen, 1992). The capability approach has influenced the social sciences by suggesting that freedom to achieve wellbeing depends on what individuals and communities are able to do for themselves (Comim, Qizilbash, & Alkire, 2008; Robeyns, 2005). The literature so far falls into three categories of investigation: How capabilities originate within communities, the link between capabilities and development and the outcome of individuals and communities having gained these capabilities. In our context, EMRI developed localized capabilities through a series of coordinated actions within communities such as technology deployment via locally situated call centers, training for emergency services personnel through partnerships with Stanford School of Medicine and Singapore Medical School and leveraging an effective volunteer network of brand ambassadors, resource providers and service providers to overcome infrastructural challenges in India. Evidence from the EMRI case would suggest that it is possible for the development of capabilities to be carried out by non-governmental players. While the focus of development economics literature has been on government intervention or multilateral institution intervention in developing local communities, EMRI provides an example of how private, non-profit organizations can also create these kinds of capabilities.

Another example of this is Arogya Parivar (meaning ‘healthy family’ In Hindi), a profit making public health initiative led by Novartis to focus on disease prevention specifically amongst India’s rural poor. With operations in 10 states across India, the program has simplified the healthcare delivery model, adapting to rural populations with low disposable income by making medicines affordable and emphasizing patient education. In order to extend their reach and sustain the business model in the long-term, Novartis has built local capabilities via an extensive network of ‘health educators’, usually local women, who are recruited and trained to raise awareness of disease prevention, while ‘health supervisors’ act as the program’s sales force, ensuring that essential medicines are available in the most remote locations. Although considered by Novartis as a corporate responsibility or ‘social business’ initiative, it demonstrates a private venture’s ability to deliver essential public services at a low cost to the consumer from which it also benefits. The program currently reaches 50 million rural Indians with plans to expand to 350 million in the next 10 years. It has also proved to be commercially viable, having achieved break-even within 30 months and a 25-fold increase in sales since 2007.

Open innovation and poverty alleviation

In recent years, the idea that innovation processes are “open” or ”distributed” has taken root and spread among academics, managers and policy-makers. The fundamental principal of open innovation is for managers to combine ideas that are both internal and external to the organization (Chesbrough, 2003). EMRI relied on open innovation models to leverage IT technology and services across different markets and organizations to establish a workable business model which would enable economies of scale and scope. There were three delivery models in existence at that time namely Anglo-American, Franco-German and the developing nation's model. Realizing that all three had their own virtues and flaws, EMRI became aware that a readymade solution would not work in India as had proven true for many failed businesses that had tried to adopt foreign models. By borrowing from all three EMRI developed a tailor made business model for the Indian customer. Based on 'open' business model design, their solution was a service platform which could combine the necessary involvement of multiple actors for the delivery of emergency healthcare services in rural and urban parts of India (Chesbrough, 2011).

In the literature, Openness (Alexy, George, & Salter, 2013; Laursen & Salter, 2006) or Open Innovation (Dahlander & Gann, 2010) has also been equated to the number of external sources of innovation accessed through an organization's network. Scholars have advocated a vision of co-creating solutions to the problem of poverty (e.g., Prahalad, 2007; Prahalad & Mashelkar, 2010). EMRI established various forms of relationships with external actors, which played a central role in knowledge creation and in acquisition of ideas, resources and individuals from the external environment. Scholars have argued that the permeability of firms' boundaries where ideas, resources and individuals flow in and out of organizations has stimulated questions about the role of openness in innovation. Such permeable boundaries enabled EMRI to leverage its internal R&D, and develop new inventions with fewer resources and at a greater pace (Alexy et al., 2013; Hargadon & Sutton, 1997). EMRI also visited and benchmarked other Western services engaging in reverse innovation to reduce the overall cost burden by identifying functionalities that were essential as well as most useful to the local, Indian context.

Other exemplars abound, SMS for Life is a public private partnership between UK pharmaceutical company Novartis and the Government of Tanzania, also engaged in open innovation with technology companies such as IBM and Vodafone. The initiative was launched as a way of overcoming the supply chain problems that prevent malaria medicines from getting to patients in rural parts of Africa. By using widely available SMS and electronic mapping technology, it was possible to track weekly stock levels at public health facilities in order to eliminate stock outs and increase access to essential medicines. In keeping with one fundamental premise of open innovation that 'not all smart people work for you', the company understood that no one company had all the skills, so the group brought together relevant people from a number of different places – IT and process knowledge from Novartis, communications from Vodafone, mapping from Google, and project management from IBM. This collaborative approach enabled resource and knowledge sharing across multiple parties through open innovation processes. As a result, stock-outs were reduced from 79% to less than 26% in the 229 Tanzanian villages in which the project was piloted, enabling improved drug access to a population of nearly 1.2 million people.

3.5 Summary and conclusions

As a case study, EMRI provides a concrete example of an innovation that has had systematic benefits to social wellbeing through careful cost-engineering and stakeholder management. It also sheds light on many issues relating to the practice of inclusive innovation, specifically the success factors and contextual challenges of effective enterprise within less developed countries. Some of the practical implications have been discussed in more prescriptive literature (e.g. Prahalad & Mashelkar, 2010) as well as in the context of organizations that leverage and enhance social capital in resource poor settings to empower 'bottom of the pyramid' communities (Ansari, Munir & Gregg, 2012). However, in our chapter we highlight the key constituent factors of success, such as the institutional actions, governance structure and conditions necessary for enabling low cost innovation that delivers benefits to the bottom of the pyramid.

To conclude, EMRI provides a glimpse into potential organizational traits for inclusive innovation: (1) an organization design and governance mode that fostered entrepreneurship, and (2) a culture of low cost innovation and exacting standards for service delivery. These two broad constructs can be further unpacked into other constituent elements such as risk sharing and governance in PPPs, as well as design principles in low cost innovation and human capital development. Though these traits are likely seen in many similar examples in developing economy contexts, EMRI provides an example of rapid ramp-up and unprecedented scale in a very challenging context. Such case studies bring to relief the challenge of organizing in the developing economy context: the challenge of scale, the challenge of coordination, and the challenge of sustainability. We encourage future research that addresses these challenges, not just as an effort at capturing best practices, but to identify causality, contingencies, and the boundary conditions for when inclusive innovation occurs, and how such innovations can be made grand successes to enfranchise the impoverished.

4 Organization Design, Coordination and Stigma[3]

In this chapter, we consider stigma as an antecedent to disenfranchisement, and thus a barrier to inclusive growth. Extant research on stigma in organization and work settings focusses on its implications for individual and organizational identity, rather than the impact of social stigma on structures, processes and routines. Using archival data, fieldwork and interviews with healthcare professionals and front-line workers in the National AIDS Control Organization of India (NACO), this qualitative paper examines how work is coordinated in stigmatized client settings. Our findings demonstrate how the presence of stigma in an organizational environment influences its structure, boundary choices and employee behaviours. We propose a model for organization design and work integration in stigmatized client settings, which highlights the interplay of design choices and coordinating practices in restoring the integrative conditions (accountability, predictability and common understanding) necessary for collective work. Contributions to literature on stigma, coordination and collaboration in inter-organizational and community contexts are discussed, as is the need to broaden the scope of stigma research to investigate its effects on organizations at multiple levels.

4.1 Introduction

Despite its prevalence in organization and work settings, stigma has received cursory treatment from organizational scholars concerned with the differentiation and integration of work. Its pedagogical origins in sociology and social psychology have confined stigma research almost exclusively to studies on what Goffman (1963) originally described as the management of "spoiled social identity". Scholarly attention has subsequently focused on identity concerns at an individual level, such as those arising from affiliations with stigmatized organizations or events, (Peter, Michelle, & Gavin, 2006), dirty work occupations, perceived as 'physically, socially or morally tainted' by society (Ashforth, 2013; Ashforth & Kreiner, 1999; Kreiner, Ashforth, & Sluss, 2006; Kwak, Chih, & Ibbs, 2009), or at an organizational level, to explore the negative effects of stigma on firm status and reputation following corporate scandals or organization failure (Hudson, 2008; Karnani, 2007c; Mbanasor, Ekpebu, & Adibe, 2012; Sutton & Callahan, 1987; Vachani & Smith, 2008).

[3] I am the first author of this paper, Professor Gerard George and Professor Rifat Atun are my co-authors. A short version of this chapter has been published in the Academy of Management Proceedings, following a best paper nomination at the 2015 Annual Meeting. It is currently under a second round review at Organisation Science.

This preoccupation with identity not only obscures the role of social context, social processes and social actors in the origination and effects of stigma (Devers, Dewett, Mishina, & Belsito, 2009) but it overlooks its impact at multiple levels on organizational structures, processes and routines. While some research has attempted to bridge levels of analysis, linking the activities of "core-stigmatized" organizations with boundary management processes that enable them to survive and thrive (Hudson & Okhuysen, 2009; Paetzold, Dipboye, & Elsbach, 2008), it remains unclear as to *why* social stigma presents coordination challenges within organizational settings or *how* its effects are mitigated through effective organization design.

Organization design stems from the problem of organizing people and resources collectively to accomplish desired ends (Greenwood & Miller, 2010). It involves a dual process of differentiation and integration, which guides the division of labor and the subsequent coordination of work to form a coherent 'system'. These patterns are influenced by multiple factors within the environmental context, including market and technological uncertainty (Lawrence et al., 1967; Puranam et al., 2014; Thompson, 1967a). Seminal studies in organization design emphasized *differentiation*, namely the physical or structural elements that comprise work systems, such as hierarchical decomposition and horizontal division of work in and across firm boundaries (McGahan, Zelner, & Barney, 2013; Spielman, 2007) . The changing world of organizations and related theory has led to greater emphasis on the system of arrangements and procedures for coordinating organizational activities beyond traditional boundaries (Baumann, 2004; De Soto, 2000; Gulati & Singh, 1998) and how social context and the nature of work influences boundary choices (Gulati & Puranam, 2012). This outward-looking perspective challenges traditional theories of organization design previously emphasizing intra-firm design logics of control, hierarchy and financial incentives (Madhok, 1997).

A more recent stream in organization design scholarship concerns *integration*, specifically the coordination of tasks, resources, information and incentives (Amit & Zott, 2001; Kotha, George, & Srikanth, 2013; Shastri, 2009; Tsai, 2002). This literature stresses the importance of formal plans, rules, roles and routines, as well the importance of proximity in fostering familiarity and trust, thus aiding collaboration between organizational participants (Okhuysen & Bechky, 2009). Emphasis has since shifted away from formal coordination mechanisms towards the micro-processes underlying collective work. Such 'emergent practices', influenced by cognitive and behavioural patterns of organizational sense-making, show how organizational arrangements are shaped and adapted at an individual or group level

(Gulati et al., 2012; Jarzabkowski, Lê, & Feldman, 2012; London & Anupindi, 2012). This interplay of top-down organization design and bottom-up coordinating practices are directed towards achieving the same set of universal integrative conditions necessary for collaboration, (Walker, 2000), which is to ensure accountability, predictability and common understanding amongst organizational participants (Okhuysen & Bechky, 2009). In this way, organizations can mitigate potentially hazardous cooperation and coordination failures (Bado, 2012; Gulati & Singh, 1998).

By forming a theoretical link between organization design and extant stigma research, our study explores stigmatized client settings and the ways in which they disrupt integrative conditions required for collective work. Stigmatization involves labelling, negative stereotyping, marginalization, status-loss and discrimination amongst affected members (2004). It is clear how such values, where present in organizational settings or amongst clients, can cause both cooperation and coordination failures, destabilizing organizational activities, processes and routines. For instance, avoiding social interactions with stigmatized 'others' or shirking away from 'tainted' work has implications for accountability within and across organizational boundaries (Hudson & Okhuysen, 2009; Langmore, 1995). Negative stereotyping, marginalization and the breakdown of familiarity and trust, which often precludes cooperation also impacts predictability sought in work exchanges (Kulik, Bainbridge, & Cregan, 2008; Strier, 2010; Thaver & Long, 2012). When stigma disrupts the natural process of organizational sense-making, by forcing participants to adapt to uncomfortable social interactions despite cultural prejudice or negative social evaluations, a sense of common understanding between participants proves difficult (Alfaro, Conconi, Fadinger, & Newman, 2010; Paetzold et al., 2008). Finally, its inherent link with power dynamics, and its role in keeping people "down, in or away", suggests stigmatization is an important antecedent to disenfranchisement across institutional settings, denying individuals in certain social categories the opportunities available to others (Garrette & Karnani, 2010; Gimet & Lagoarde-Segot, 2012; Pingali & Traxler, 2002; Weber & Schnell, 2003).

In this article, we focus on the effect of stigma on organization design and how stigmatized client settings influence the integration of efforts within organizational, inter-organizational and community work contexts. Our main contention is that stigma, contrary to most treatments, is embedded in the interactions that take place between organizational actors, at the interface with clients, customers, across partners or within organizations, amongst employees and between workgroups. Its effects must therefore have important implications for the differentiation of work and the integration of efforts. The result of our analysis is to heighten our understanding of how stigmatized client settings impact on organizational processes, structures and routines, which we argue are much more complex and elusive than current treatments suggest.

Following a description of our research setting, data collection and analytical methods, we present our findings. These are organized firstly by the coordination hazards triggered by stigma at multiple levels of organization, secondly how organization design and boundary choices converge to mitigate some of these effects and thirdly, the role of coordinating practices enacted by frontline workers, completing the integrative conditions necessary for integrative work. Finally, we conceptualize stigma as an organization problem by presenting a discussion on how the negative effects of social stigma within and between organizations are effectively mitigated through the interplay of formal and informal coordination processes.

4.2 Research setting: HIV, women and India

In India, as elsewhere in the developing world, AIDS is perceived as a disease of "others" – of people living in the margins of society, whose lifestyles are considered "perverted" and "immoral" (UNAIDS, 2001). The discrimination, stigmatization and denial of opportunity that accompany these perceptions affect life in families, communities, schools, workplaces and healthcare settings. How organizations coordinate activities in stigmatized client settings is the central question in this research.

When comparing follow-up rates across prevention efforts targeting tuberculosis or malaria, HIV/AIDS-related stigma renders conventional organization design for disease prevention ineffective by comparison, (Gimet & Lagoarde-Segot, 2012) leaving infected people burdened by poor care and inadequate services (Fayol, 1917). A vast body of literature in social sciences demonstrates the role of stigma in hampering uptake of voluntary HIV counselling and testing (Harjula, 2006; Linnemayr, Alderman, & Ka, 2008), adherence to antiretroviral treatment (de Mayolo & Ferré, 2010; Malmborg & Mark-Herbert, 2010) and delaying general health seeking among people with HIV (Danse & Vellema, 2006; Gino & Staats, 2012). Yet, despite a complex delivery process, involving the combined efforts of multiple autonomous entities in geographically-dispersed community contexts, "meta-agents" such as WHO, UNAIDS and UNICEF continue to operate with growing success (Karamchandani, Kubzansky, & Lalwani, 2011).

For over two decades, there has been an active and concerted effort to curb the spread of HIV in India, where an estimated 2.3 million people are living with the disease – a prevalence rate of 0.29% (NACO, 2010). There are multiple programs and initiatives aimed at halting and reversing infection, the majority of which are coordinated by the National AIDS Control Organization (NACO), launched in 1992. For the purpose of our research question, we focused on those targeted towards pregnant mothers and infants, referred to as 'Prevention of Mother to Child Transmission'. This choice was made for two reasons: Firstly, the HIV/AIDS epidemic in India is inextricably tied to the social and cultural values and economic relationships between men and women and within communities. NACO reported that: "Women, whether married, single, divorced, widowed, sex workers or seasonal migrants or adolescent girls, are most susceptible to the negate impacts" (Leitch, Hill, & Neergaard, 2010). Secondly, women are more biologically prone to HIV infection than men (2 to 4 times higher), representing the fastest growing segment of the population becoming infected, the main route of transmission being heterosexual relations, in particular, through female sex workers, whose significance is amplified with the emergence of "bridge" populations – such as migrant workers and truck drivers infecting their wives. Despite the majority being innocent of any 'moral' wrongdoings, women are the principal recipients of blame, shame and disenfranchisement that accompanies HIV-related stigma in India (Fayol, 1917). One NGO report described the multiple ways in which women face stigmatization within family, community and healthcare settings:

> Women with HIV are subjected to various forms of violence and discrimination based on gender. They could be refused shelter, denied a share of household property, refused access to treatment and care, or blamed for a husband's HIV diagnosis. "When my in-laws got to know about my husband's HIV status they immediately blamed me for giving him the infection," said a 23-year-old woman. In cases where a man has admitted he had sexual relations with sex workers, the burden of blame still falls on the wife for failing to "satisfy" her husband […] many infected people trace some of their AIDS-related fear, anxiety, and denial to their traumatic experiences in health care settings. While a doctor is sworn to notify only the patient of his or her status, the confidentiality of HIV test reports appears to be strictly observed only for the educated and the relatively well-off. "When a young woman [from a low-income group] who is first-time pregnant is found to be HIV-positive, we ask her to call her mother-in-law. We explain the report to the mother-in-law," admits a gynaecologist at a private hospital in Mumbai (McMullen, 2011).

Prevention of mother-to-child transmission services started in 2001 with 11 testing centers, expanding rapidly across six high-prevalence states in 2004, which succeeded in testing 1.3 million pregnant women in 2005. This rate increased by roughly one million a year to 5.5 million in 2009 (NACO, 2010). The provision of these services were formerly provided through separate voluntary counselling and testing centres. However, since 2009 there has been a shift towards integrated counselling and testing centres, reflecting a wider effort to integrate HIV/AIDS services into the basic health service to improve access and reduce loss-to-follow ups caused by HIV-related stigma. While the clinics remain separate units, the majority that we visited were co-located with antenatal clinics to increase the number of pregnant women receiving HIV testing and counselling services. Structural changes such as these were just one example of how organization design choices helped to mitigate the presence of stigma within client settings.

Across India, there are 5,135 testing centers, where 7.5 million clients were tested for HIV in 2009 (NACO, 2010). In our visits, the majority were staffed by one counsellor and one lab technician. The host hospitals were obliged to assign two rooms in close proximity to the testing center, one for counselling and the other for lab-testing, where blood was drawn from the patients to be tested. During our visits, we found the process and service quality varied considerably, whilst the majority of the centers were busy, dirty places with a limited means of maintaining visitor anonymity (see photographs in Appendix 2). We also carried out visitations to the public and private hospitals associated with the testing centers.

While NACO is the nodal organization for formulation of policy and implementation of the prevention program, public health in India is a state-level subject, requiring interaction with different healthcare systems. Despite large variations in the strength of local public health clinics and hospitals due to the state government and its policies, counselling and testing services were based on practices outlined by the World Health Organization (WHO, 2010). It is in this context, across 28 different states that prevention of mother-to-child transmission services are coordinated, designed and implemented by the central government in New Delhi. The organization is then divided vertically through hierarchies of State AIDS Control Organizations, which are aided by state-level prevention of mother-to-child transmission consultants and financed by large multilateral organizations. These units are responsible for distributing resources and coordinating efforts across 5,000 testing centers. During our visits there was further decentralization taking place, with the creation of District AIDS Prevention and Control Units, a process which had begun in 2009. These were an interim administration unit closer to the district and village hospitals, aided by the activities of local NGOs. This was intended to improve monitoring and coordination, as well as to reach communities where HIV-related stigma presented the greatest barriers to client access.

Outside of family and community contexts, the most conspicuous context for HIV/AIDS-related discrimination, stigmatization, and denial appeared to be in the healthcare provision itself, whether public or private (Hudnut & DeTienne, 2010c). Coordination hazards, referred to in NACO annual reports and by organizational participants as 'loss-to-follow ups' were particularly present during the treatment stages, which involved client referral to state-run and private hospitals (NACO, 2010). Archival analysis and stories told during our visits suggested these hazards stemmed from fear on two accounts. Amongst clients, the fear of disclosure of their stigmatized status caused them to avoid testing or fail to follow-up treatment. This posed a serious hazard at both levels, for instance despite NACO policy discouraging testing at the workplace, many states engaged in poor testing practices that threatened client confidentiality. As the same NGO reported: "many with the virus say they have been tested for HIV in a routine manner, without their consent: "I accidentally discovered my HIV status in 1996 when I went for an antenatal check-up. Even the testing was done without my consent," said one nurse with HIV". Fears amongst caregivers about clients transferring the virus to them or becoming associated with stigmatized individuals led to shirking away from treating infected individuals. Further challenges exist within the legal and institutional means for preventing discrimination as suggested by a physician at a private hospital in Mumbai, "We are not bound by any rule to give treatment to HIV-positive patients […] I screen every patient who is referred for diagnosis and do not admit those who are HIV-positive." Stories of hospital doctors turning down positive mothers following referrals were commonplace from the counsellors we interviewed, suggesting a high degree of cooperation failure resulting from stigma at the interface of NACO and its healthcare partners.

Response to HIV/AIDS is often conceptualized as a continuum between prevention and care, on which spectrum the effects of stigma at the interface of the client and the organization can also be observed. For instance, void of stigma, clients would seek counselling and testing to identify their HIV status without fear of repercussions, whilst those who tested positive would receive available care without discrimination. In reality, the stigmatizing social environment poses barriers at all stages. The question then follows how can organizations reduce coordination hazards posed by self-stigma amongst clients, who fear discrimination and thus avoid testing, whilst at the same time ensure those identified receive adequate treatment by employees within the organization and amongst organizational partners?

Prevention of mother to child transmission of HIV/AIDS services in India and NACO's unique implementation programme represented an ideal research setting to explore how stigma impacts interactions at multiple levels organization. It was also a context in which multiple sources of data were available for scrutiny. An important consideration was to distinguish between the usual compliance challenges at a client level and the coordination hazards posed by social stigma. Differences in state healthcare effectiveness were expressed by the views of employees themselves, as one doctor who had experience of working in different institutional contexts commented:

> "Orissa is far behind the other states… We call it a BEMARU state, which is Hindi for "ill state" and an abbreviation for Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh… Orissa is in fact the "Athi BEMARU State", which means it's even worse".
>
> "If you go to Tamil Nadu, service delivery is better than in comparison to the other states. I don't mean in Orissa how the [prevention of mother-to-child transmission] program is going on but the primary health centers and district hospitals are not as developed as in Tamil Nadu".

By adopting a comparative approach across three different states characterized by varying levels of health system effectiveness, it was possible to observe how different institutional environments coped with service delivery in stigmatized client settings, as well as rule out coordination challenges resulting from the complexities of healthcare settings, especially in resource-constrained environments.

Owing to the research question, we focused on the experiences of NACO's frontline workers, including counsellors and lab technicians within testing centers and community outreach workers. Interviews with senior officials within NACO and its international agencies, as well as doctors and consultants within the state healthcare system provided insights into interactions between work systems. Clients themselves were not interviewed due to our focus on coordination within the organization, as well as data access constraints. Additional insights into self-stigma in client settings and how care-seeking is affected by HIV-related stigma were not deemed necessary due to the overwhelming number of academic papers, newspaper articles and independent studies on this subject.

4.3 Methods

4.3.1 Data collection and analysis

Following principles of inductive analysis, to be faithful to our setting and our participants, we kept an open-mind as to what findings might emerge from the research context (Glaser & Strauss, 2009), our work progressed in two stages outlined below.

Stage 1: Understanding NACO's program structure and organization design

The aim of the first stage of analysis was to understand our research setting through archival analysis and interviews. We began by collecting archival data from the Central Government of India and the National Aids Control Organization, such as annual reports, which included information on parallel interventions and statistics on relevant socioeconomic factors, HIV prevalence and institutional delivery rates by district and the relative number of testing centers. In doing so we were able to chart the progress of prevention of mother-to-child transmission delivery in India, as well as build a picture of the program structure and how it operated at national, state and district levels.

A total of 37 semi-structured interviews were also carried out amongst senior officials at the national-level and international stakeholders of the National AIDS Control Organization of India. These interviews lasted on average twenty-five minutes, were conducted in-person, recorded and later transcribed, with no translation necessary. Those interviewed included senior NACO officers and administrators within the central government in Delhi (n=6) and funding bodies such as UNAIDS and the World Health Organization at their offices in Geneva (n=31). Their purpose was to understand regional differences in the way HIV/AIDS programs were designed and implemented as well as to gather details of any stigma reduction efforts implemented at a national level. Independent publications commissioned by non-governmental organizations (n=16), annual reports (n=7) and newspaper articles (n=23) on HIV-related stigma were also analyzed to better understand social stigma within client settings and its impact on the delivery of prevention and treatment services in India.

Our initial analysis provided two important insights, firstly the nature of stigma within client contexts and the extraordinarily similar ways in which it impacted prevention of mother-to-child transmission service delivery across institutional contexts. Secondly, consistency in the way that the program design and organizational structure was implemented across different states in India and the subsequent variation in service delivery we would later observe across different institutional contexts, emerged as a paradox worthy of further study.

Stage 2: Observing variations in district-level service delivery

The second part of our data-collection was informed by our initial findings as we sought to identify variations in the ways in which frontline staff executed prevention and treatment efforts. Using interviews and fieldwork observations, we were curious to understand how these variations represented more or less effective mechanisms for coordinating service delivery within stigmatized client settings. These were conducted amongst state-level control units and the district-level testing centers coordinated by NACO. To better understand how these units interacted with partner institutions within the state healthcare system and across non-governmental organizations, the second author carried out fieldwork and interviews with medical officers located in state and district hospitals, as well as community outreach workers assisting frontline health services. To avoid potential bias from a single data source or informant (Eisenhardt, 1989; Ibata-Arens & Obayashi, 2006) we used a range of field methods.

Fieldwork observation

In 2011 and 2012, the second author conducted fieldwork at testing centers focused on prevention of mother-to-child transmission. The Integrated Counselling and Testing Centers were places where both men and women could be counselled and tested for HIV on their own freewill or as advised by a medical provider. They appeared to be the first interface of citizens with the entire range of preventative, care and treatment services, provided under the NACO umbrella. The testing centers we visited were located across 11 districts within the three states (Orissa, Tamil Nadu and West Bengal), which were selected based on prevalence of HIV/AIDS, the strength of healthcare system, and variability in effectiveness of prevention of mother-to-child transmission programs. Although HIV prevalence was comparable across states, Tamil Nadu stood out as having a strong health system with a high number of institutional deliveries. Its prevention and treatment program was also considered to have been very successful. In contrast, Orissa and West Bengal were identified as weaker healthcare systems with a lower ratio of institutional delivery (see Table 9).

Table 9. Indicators of public health system effectiveness in selected states

Institutional context	Orissa (very weak)	West Bengal (weak)	Tamil Nadu (strong)
Districts[1]	30	18	30
Population[1]	36.8m	80.2m	62.4m
GDP (INR per capita)[2]	21,338	30,950	39,300
Human Development Index HDI[3]	0.537	0.642	0.666
Education index	0.463	0.533	0.566
Health index	0.474	0.668	0.682
Income index	0.674	0.726	0.750
Pregnancy per year[1,4]	966,600	2,103,300	1,638,900
Hospital beds per 100,000[5]	45.78	80.45	87.33
Maternal mortality ratio[3]	0.00358	0.00194	0.00134
Institutional delivery (%)[6]	44.1	49.1	94.0
Number of high prevalence districts (category A and B; Jan. 2010)[4]	7	8	27
ART Centers (Jan. 2010)[4]	4	7	36

Source: [1]2001 Census data; [2]MOSPI (2008); [3]WCD (2009); [4]NACO (2010); [5]Das (1999); [6]DLHS-3

Incorporating a comparative approach to our analysis was consistent with our sampling logic, which reflected a research design intended to compare service delivery in strong and weak healthcare systems. This was important to control for the effect of weak institutional contexts on the effectiveness of service coordination. With comparability of HIV prevalence, consistency in the levels of funding and the service blueprints set at a national level, it was possible to distinguish between those coordination challenges resulting from resource constraints or system effectiveness and those resulting from HIV-related stigma. To observe variability in service delivery, we made a conscious decision to visit testing centers in varying types of hospitals, this included medical colleges (n=5), district (n=11) and sub-district (n=8) hospitals in urban areas with high population density, as well as primary health centers (n=2) located in rural settings. The second author spent several hours observing and photographing the physical conditions of the testing centers and being guided through the testing and counselling process in each hospital. There was one primary test, where blood must be drawn from clients to test for HIV, wherein the case of a positive result, two additional tests would be administered. The place of drawing blood varied depending on the relative size of the rooms, often with very little privacy.

Interviews

At the state-level and below, 92 individuals were interviewed within various roles (see Table 10). These included district and state-level consultants and program managers (n=16) medical officers (n=12), counsellors and lab technicians (n=58), as well as outreach staff employed by non-governmental organizations (n=6). The majority of these were coming into daily contact with patients. In particular, two-thirds were counsellors and lab technicians who were directly involved in the prevention of mother-to-child transmission process. Since interviews were not carried out with pregnant women, these individuals represented the closest contact with the clients utilizing the system. The 12 medical officers we interviewed were solely based at a single service delivery outlet, therefore, to ensure a representative sample of managers and employees across the organizational hierarchy, 16 district or state-level officers were also interviewed. Interviews lasted an average of 21 minutes, were carried out face-to-face, recorded and later transcribed. A small proportion of interviews conducted in local languages amongst outreach workers (n=6) were carried out with an independent translator present.

Our semi-structured interviews contained three main sections (see Appendix 1 for a list of prompts). Firstly, we enquired about successful innovations at the district level for reducing "loss-to-follow-ups" amongst pregnant mothers attending testing and counselling services. Innovations were defined as changes to how the program was run, designed or implemented. The second part was to understand overall service delivery at the grassroots, involving general trends and perceptions towards organizational effectiveness. Finally, we focused on variations in service delivery across the three states. We were concerned with why these variations occurred. Hence various follow-up questions were posed around the effect of stigma and resource constraints on delivery effectiveness.

Archival data

In order to fully appreciate the client context and to triangulate the insights from our fieldwork and interview data on how stigma impacts service delivery, we also collected extensive archival documentation. This included documents produced by the organization itself (n=7), independent reports by non-governmental organizations (n=16), academic surveys, publications and newspaper articles (n=23), many of which provided detailed descriptions of HIV-related stigma in India and the experiences of positive women and mothers in family, community and healthcare settings. Many of the observations from our fieldwork matched these insights and aided our conceptualization of stigmatized client settings and its effects on organization design, specifically the ways in which they interact with healthcare organizations to influence activities, processes and routines.

Table 10. Data collection by type and by organizational level

Data for Prevention of Mother-to-Child Transmission Service s	Observation data: District Visits	Archival Data			Interview data				
		Annual Reports	Independent Publications	News Articles	Senior Officials	District/State Consultants	Medical Officers	Outreach Workers	Counsellor/Lab Technicians
International agencies		4	10	6	31				
National-level		3	6	17	6				
Orissa (very weak)	6					4	6	N/A	12
West Bengal (weak)	12					2	4	N/A	26
Tamil Nadu (strong)	8					10	2	6	20
Total (N)	26	7	16	23	37	16	12	6	58

Coding and Analysis

Data were analyzed using techniques appropriate for qualitative research, including coding and categorical analysis of semi-structured interviews (Gioia, Corley and Hamilton 2013; Silverman 2011, 2013). Firstly, in order to make sense of the mass of interview data, the authors who collected the data wrote a detailed case study describing NACO's formal organization design as well as observations on regional variations associated with the HIV/AIDS program. The study was then presented back to the organization, specifically NACO informants to validate its accuracy and enhance the reliability of the analysis (Guba and Lincoln 1994).

Our qualitative analysis followed three stages of analysis by which theoretical insights could be made. Beginning with open or 'substantive' coding, transcript data was conceptualized line by line in order to understand variability in delivery, coordination failures and responses pursued by participants across levels of the organization. Consistent with our interest in stigmatized client settings, we looked for signs of how HIV-related stigma impacted organizational structures, processes and routines. Its impact on coordination at multiple levels within NACO, across state health systems and in community settings emerged as key factors identified by participants.

The second stage was axial coding, defined as "a set of procedures whereby data are put back together in new ways after open coding, by making connections between categories" (Strauss and Corbin 1994). This stage revealed the different types of coordinating activities taking place at each level of organization by comparing observations across organizational hierarchies, workgroups and boundaries. For instance, archival and interview data collected amongst NACO and state-level officials provided insights into the top-down policies, routines, programmes, and strucutural adjustments pursued at a macro-level, which we conceptualised as the formal elements of organization design. Micro-level insights emerging from interviews and observations carried out amongst medical staff within state and district hospitals, as well as amongst counsellors and outreach workers. These provided a perspective on how organizational members responded to stigmatized social settings through shirking or adapting through the development of coping mechanisms. These we grouped together and interpreted as emergent coordinating practices.

Finally, a more iterative process followed of pulling out aggregate theoretical dimensions, which involved analyzing the connections between categories whilst at the same time reviewing relevant literature on stigma, coordination and organization design in inter-organizational and community contexts. By examining the coordination mechanisms introduced at the organizational level alongside coordinating practices of individual members, we identified patterns by which organizations compensated for various hazards triggered within stigmatized client settings. We also considered variability across institutional contexts to determine processes resulted from differences in system effectiveness or resource constraints and those triggered by social stigma. This helped us to distinguish between two possible causal mechanisms for design responses, as well as isolate those triggered or exacerbated by stigma. As our work progressed, we found additional dimensions that helped to explain the similarities and differences observed in the service delivery. One particular theme that emerged was the interplay between organization design responses to accessing stigmatized clients and the way in which employees executed service delivery amongst the same clients. Below we detail the nature of coordination challenges posed by stigmatized client settings and how organizational participants mitigated the effects of stigma through top-down organization design and bottom-up coordinating practices.

4.4 Findings

In our setting, we found that stigmatized client settings posed a number of hazards to the delivery of services targeting prevention of mother-to-child transmission of HIV. Identifying these hazards was important to understand subsequent organizational and employee responses aimed at mitigating the effects of social stigma.

4.4.1 Stigmatized client settings

Coordination hazards at the client-interface: The locus of HIV-related stigma amongst positive mothers was predominately within community and family settings, which severely affected the predictability of client interactions at the point of service. Driven by fear and social judgment, stigmatization would often stem from misunderstanding the disease, its transmission and associations with immoral behaviours. We encountered numerous cases of positive mother's experiencing the effects of 'self-stigma' as a result of ostracism, humiliation and mistreatment at the hands of family members.

One report showed how women experience a greater degree of enacted stigma and hence were more easily deterred from being tested for HIV or seeking care (Gimet & Lagoarde-Segot, 2012). The female respondents of a study by UNAIDS (2001) suggested a major cause was the strained relationships with their parents-in-law and the potential consequences on their own livelihoods: "They [my in-laws] say that my husband got this disease from me. I sometimes feel "Why should I live with this insult? It is better to die." But I am living for the sake of my children". Our interviews with counsellors also confirmed the debilitative effects of parent-in-law stigma in tracking parents-in-law following testing, particularly in rural settings, as one counsellor noted: "Stigma has gone down in some areas but still it is there, especially in the rural areas like in-laws and other family members".

In most cases, parents would force their daughter-in-law to return to her birth family or to support herself, sometimes denying them of legal property rights. News archives describe forbidding instances of HIV positive women and partners overwhelmed by shame, taking their own lives, such as the case of three women outside Bhavnagar, (van der Vleuten, Stam, & van der Plas, 2007) and another in Mumbai where two HIV positive parents took their own lives and the lives of their children (Kumar, Shankar, Momaya, & Gupte, 2010). Another newspaper reported how "In Orissa, stigma remains the single most important barrier to public action", suggesting it was the main reason why many people are afraid to see a doctor to determine whether they have the disease or to seek treatment, rendering AIDS a “silent killer” (Alam & Molla, 2012).

Numerous studies reporting the prevalence of HIV-related stigma and its impact on prevention, treatment and care recognized the importance of reducing stigma and discrimination for achieving successful outcomes (Eisenhardt, Furr, & Bingham, 2010; Fayol, 1917). Our interviews and archival data confirmed ways in which stigmatization acted as an impediment to *prevention* efforts, often stemming from fears of confidentiality, firstly around testing and secondly around informing spouses and families. In one report, patients stated that their results were frequently revealed to their parent(s), sibling, spouse, or other close relatives, whilst one doctor confirmed: “When a young woman who is first time pregnant is found to be HIV-positive, we ask her to call her mother-in-law”. (UNAIDS, 2001)

Fear of stigma also posed serious impediments to the *treatment* of infected mothers, as numerous counsellors described, what they called the “coordination challenge” of retaining pregnant women who enter the system for testing and a minority for subsequent treatment. Respondents described national-level workshops organized to address this problem, which were focused on the interface of healthcare and the client, yet “despite strong political support for improved HIV prevention and treatment planning at all levels, there is a 45% attrition rate of pregnant women who test HIV positive in ANC [antenatal care] clinics” (Hudnut & DeTienne, 2010a). Women or children who stopped treatment were referred to as “loss to follow-up”. This challenge was passed down to outreach workers operating in community settings to deliver anti-retroviral therapy drugs. Their inspiring efforts to prevent such losses are described below and elaborated later in the third section of our findings:

> “To actually reach people you have to be very creative […] some people, they don’t tell their family… So what we [outreach workers] do is call and say “I’ll wait for you at the bus stop”. And sometimes I wait four, five hours at the bus stop before that person is able to come”.

Cooperation hazards across healthcare settings: The prevalence of institutional stigma amongst doctors and healthcare staff was identified by participants as an ongoing problem. The debilitative effects of institutional stigma on coordinating the program were particularly salient in inter-organizational exchanges with state-level healthcare providers. Several examples were cited of doctors and nurses evading or outwardly refusing to treat patients infected with the disease:

> "In West Bengal to this day, there is lot of refusal to do positive deliveries. I shouldn't say officially but it happened in the month of July… I encountered in a sub division hospital where they refused. I called them several times, the superintendent, the doctor […] He said it this way: 'I won't do the delivery - nobody can touch me'".

On several occasions, this presented itself as cooperation hazard between frontline staff at NACO and their partner organizations, which included both public and private hospitals, as one counsellor in Orissa explained: "I have tried my level best. Because it is also due to doctors willing to cooperate, without testing we will not carry out delivery, and we have asked doctors to carry it out". Anonymous statements by doctors suggested it was believed to be the decision of consultants whether or not to treat HIV-positive patients, even if this went against hospital policy. The shirking of delivering the infants of positive patients and failure to coordinate across partner organizations despite financial incentives represented an accountability gap between NACO and state hospitals, which was difficult to mitigate without the supervision and monitoring afforded by work system integration, as we discuss in section two of our findings.

Occupational hazards of 'dirty work': 'Courtesy' stigma or stigma transfer also affected healthcare professionals working with HIV patients, manifested through fear of casual contact and moral judgements. In some instances, this could be related to genuine threats of infection as some hospital staff described how they would protect themselves during deliveries using fumigation, which is not required, but "only takes place because of the exaggerated fear of staff and doctors". One nurse in a public hospital described a similar fear:

> "Being in a public hospital I don't think we nurses can even think of getting good-quality gloves in adequate numbers. Often, after a delivery I find that my hands are soaked in blood because the gloves are so ill fitting and large, or because they have got torn in the urgency to put them on. And then when I learn that the woman was HIV-positive – I quickly check my hands to see if there is any cut or wound. On such days I go home and pray to God" (UNAIDS, 2001).

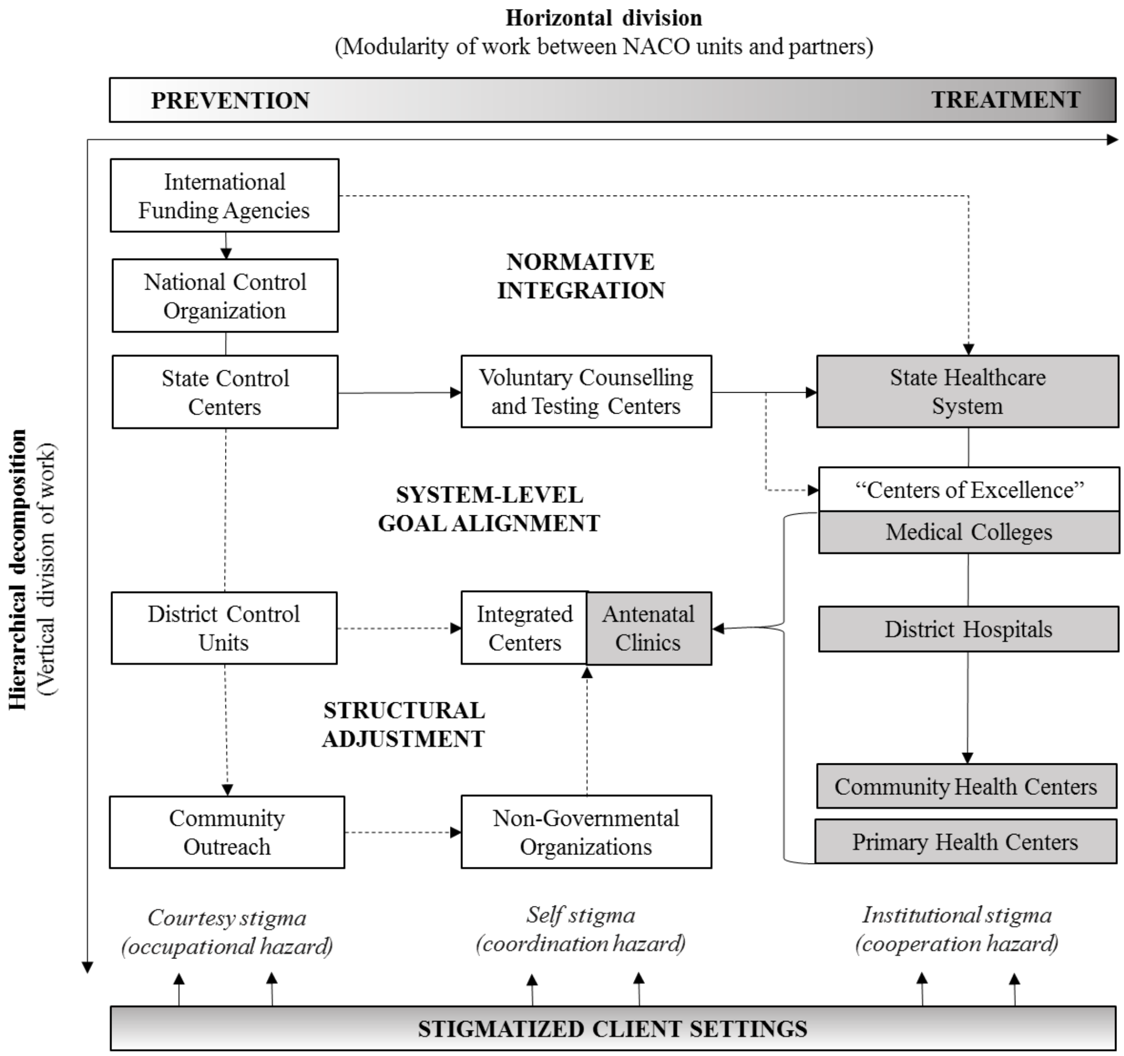
Alongside traditional perceptions of dirty work as occupations considered 'socially, physically or morally tainted', new research contexts characterize it by poor pay, limited opportunities for advancement and unsavory working conditions (Simpson et al. 2012). A majority of counsellors and outreach workers within NACO expressed some of the occupational hazards associated with dirty work, as one counsellor noted: "We're stagnant in one position – counsellor. There is no promotion or anything. In every job there is a promotion like counsellor, senior counsellor or something else. In this we're stagnant… There's no career". HIV/AIDS workers employed by NACO were also generally paid significantly less than their state equivalents. One counsellor in Tamil Nadu explained how pay was so low and the conditions so difficult, that everyone she had worked with over six years had effectively burned out. After describing the sheer number of patients she was dealing with, she described the demeanor amongst staff as “we’re smiling outside but crying inside”. This wasn’t simply one or two examples but all counselling staff complained about workload and the challenge of coordinating the delivery of positive mothers.

Occupational hazards, defined as risks accepted as a consequence of a particular occupation, and present in dirty work did not disrupt service delivery but instead reinforced their efforts. Rather than lack of incentives, the threat of stigma transfer or risk of transmission causing cooperation failures amongst NACO’s frontline staff, it fostered extra-role efforts motivated by social goals as opposed to personal gain. This was an important finding, which we elaborate in our descriptions of the coordinating responses enacted by frontline staff.

4.4.2 Organization design responses to stigma

By combining our findings with theory on organization and work design, we identified three organizational responses that enabled NACO to operate in stigmatized client settings. Our analysis revealed three processes by which the prevention of mother to child transmission program was adapted to fit the context (see Figure 8). Firstly, NACO enacted *structural adjustment* to mitigate barriers posed by self-stigma at a client level and coordination hazards caused by institutional stigma within healthcare settings. Secondly, setting *system-level goals* helped to align interests across the work system and elicit positive responses to occupational dirty work; and finally, *normative integration* of work across institutional contexts improved common understanding amongst organizational participants.

Figure 8: Differentiation and integration of work in NACO



Structural adjustments: Hierarchy and boundary extensions

Historically, during "Phase 1" of the program (1992-1998), NACO had concentrated on reducing HIV incidence through centralized activities such as information, education and communication campaigns to draw public attention to the issue of HIV, along with the establishment of a surveillance system across states. In "Phase 2" (1999-2006), it began to decentralize programs to address regional differences, handing over program implementation to State AIDS control societies, which enabled greater accountability at a state-level (Webb, Kistruck, Ireland, & Ketchen, 2010a). "Phase 3" (2007-2012) involved further decentralization to District AIDS Prevention and Control Units bringing it closer to district and village hospitals and to the clients themselves. This was deemed necessary to improve front-line service delivery and prevent loss to follow up amongst patients screened or treated against HIV/AIDS.

While structural extensions helped to improve monitoring, control and coordination by fostering accountability for 'loss to follow ups' amongst middle-level managers, we found each district varied in the degree to which they provided skilled managers to oversee the prevention of mother to child services. For example, stronger health systems provided a middle-level of management between the state and local systems, improving service delivery, others did not, causing great variation in the span of control and the number of clinics for which an individual manager was responsible. Despite greater accountability, in poorer states such as Orissa, a nodal officer described difficulties he faced:

> "The whole tragedy is that the NACO people they question me [about the effectiveness of the program]. But still they have to understand, it is naked truth that unless basic service is improved we cannot function. So I'm fed up with this type of query by NACO and at times I think let me quit this duty. You have been kept in charge of this program at a personal level. So you are concentrating your achievement: How Orissa has achieved? What is the estimated pregnancy? How many are screened? What is the positive rate?"

Similarly, at the community level, stigma amongst patients, their spouses and their families represented the greatest barrier to effective treatment and individual testing. Extending vertically to the district-level enabled NACO to mobilize community agents in the form of Accredited Social Healthcare Activists, Outreach Workers and a positive network of HIV/AIDs sufferers, introducing a relational element at the client interface amongst staff who shared the burden of HIV. The latter involved engaging a network of NGOs and external partners to help inform communities at the village level about the nature of the disease and how it is spread. Organization design principles would normally cite additional coordination costs incurred by hierarchical distance within the organization as well as task interdependence across organizational boundaries (Gulati and Singh 1998). However, even in weaker states, the community outreach program greatly improved the coordination of treatment within NACO and across state partners, as one program officer in Orissa described:

> "I should say, in the entire program the patient tracking or the monitoring mechanism is the strongest in the ART [anti-retroviral therapy] program. At the end of each month the ART center prepares a list of people who were supposed to come but have not […] every month there is a coordination meetings at the district level between the ART program and the counselling and testing program".

The officer went on to explain how the community outreach network helped to mitigate the effects of self-stigma at the client-interface, improving the coordination of treatment:

> "Saturday they go for fieldwork outreach and there are also NGOs which are also supporting the outreach component of the counselling and testing. And then there is this [Accredited Healthcare Activist] network. So this list is given every month to this network so that these people have to be tracked traced back maybe at home or at the address that is given and then they're brought. They're counselled as to why they do not come, to understand the problems and then they are brought"

The states with the highest attendance rates tended to have strong support from this socially-embedded network of outreach workers. They were particularly active in better functioning districts and played a crucial role in enhancing the level of care and trust with the mother, thus reducing loss to follow ups. Locally-respected and effective, accredited social health activists were often chosen by members of the community, trained and charged with knowing when women in their communities were pregnant and were incentivized to bring women into the system as well as helping to retain them.

Alongside hierarchical decomposition, NACO extended its boundaries horizontally through a process described as 'mainstreaming'. The provision of mother-to-child prevention services had previously been provided through voluntary counselling and testing centers, separate from the state healthcare system. Under the new system, NACO greatly expanded its boundaries, as described by this extract of the annual report:

> "Mainstreaming and partnerships are the key approaches to facilitate multi-sectoral response, engaging a wide range of stakeholders. Private sector, civil society organizations, networks of people living with HIV/AIDS and government departments, all have a crucial role in prevention, care, support, treatment and service delivery". (NACO, 2010)

This involved working alongside the state healthcare system, which one office described as a "pyramid", where "in the upper level you have the medical colleges, then district hospitals, the next level is community health centers, and then the primary health center". Integration of NACO prevention services with the state healthcare system was bridged using Integrated Counselling and Testing Centers. These remained separate units to preserve NACO oversight and confidentiality, although they were largely co-located with antenatal clinics in state hospitals to increase the number of pregnant women receiving services.

One of the aims of integrating the testing centers was to resolve a lack of monitoring, updating and substitution of tasks taking place across the prevention efforts of NACO and the delivery of pregnant mothers taking place within state hospitals. One program officer described the single word spoken in every meeting at a national and state-level had become "linkage, linkage, linkage"

> "UNICEF talk about mainstreaming, there is a Mainstreaming division in our program - linking HIV treatment into the healthcare system. Facilities integration and time pressures on staffing is increasingly being seen as a challenge. But at the same time there is also a view that you can't have a vertical program forever […] some way you have to make a beginning, face the challenges, then somehow you go ahead and do it, sort of thing".

Despite creating additional time pressures, it effectively held state actors to account and prevented shirking amongst hospital staff as a result of institutional stigma. In weaker healthcare contexts, these centers were treated as largely separate efforts with relatively loose handoff of clients between the testing centers and anti-retroviral clinics based in hosptals. In the words of one state officer:

> "There is a gap between the number of positives detected at ICTC [testing centers] and the number who get registered at ART [anti-retroviral therapy]. It's even in the forward loop. What I am trying to say is program is evolving… If the gap is more it reflects both the counsellor as well as ART program managers which means that they don't have coordination in between."

In stronger healthcare systems however, public-public partnerships were negotiated and maintained. In many cases, these were based on cooperative exchange in which the public health system provided HIV test kits to private clinics and the private clinics provide district HIV control managers with data on number of women tested as well as the number positive and negative. In well-functioning partnerships, which were properly incentivized, the private clinics referred many of the positive women to the public health system, with information that allowed follow-up. In states with weaker healthcare systems, these partnerships were weaker or non-existent, suggesting institutional context had an impact on the effectiveness of inter-organizational exchanges: "They may have gone to a private clinic" was one of many speculative reasons adduced for "loss to follow-up" amongst officers of district hospitals. Conversely, in stronger healthcare settings, managers would receive daily data by mobile SMS text regarding testing activities and outcomes at all centers in their district (and in some cases, plans for the following day), which allowed early detection of problems amongst pregnant mothers who failed to attend treatment.

System-level goal alignment: "From mothers to infants"

In 2007, the World Bank concluded a Detail Implementation Review of its loan support for Phase 2 of India's National AIDS Control Programme. Previously, the emphasis of the programme had been on "Targeted Intervention", working closely with India's NGOs towards HIV prevention and risk reduction activities amongst what were perceived as "high-risk" populations (e.g. commercial sex workers, injecting drug users and men who have sex with men". The report found 'significant cases of fraud and corruption' and false documentation of HIV prevention activities (Williamson, 2007).

The Indian Ministry of Health and Family Welfare admitted that NGO involvement had taken place in a context of limited implementation and oversight capacity where "NGOs were unwilling to take up TI [Targeted Interventions] because of the stigma associated with these populations. As such they had to be encouraged to even apply for TI" (Groom & Palmer, 2010). The paradox that NGO workers engaged in HIV/AIDS services would stigmatize the people they were meant to be helping was perceived to be the result of patients facing "dual-stigma", an altogether more challenging task as similar studies noted:

> "Some NGO staff assumed that all their HIV-positive women clients worked in the sex trade; as a result, staff had a casual attitude towards their rights and needs. People with HIV who had once been offered care by an NGO in Bangalore said that their care was provided with 'attitude.'" (Fayol, 1917)

An important aspect of NACO's organization design under Phase 3 was to foster goal alignment amongst its NGO and state healthcare partners by reframing system-level goals and shifting the emphasis from high risk groups to less stigmatized social categories. The subsequent emphasis and the main driving force behind prevention of mother-to-child prevention services was the shift towards mother to child transmission, with a specific focus on preventing unborn children from contracting the virus. The World Health Organization subsequently outlined an ideal prevention process for coordinating agents at the national level to follow, (WHO, 2010) where a pregnant woman would attend a full antenatal program and subsequently achieve institutional delivery. This goal was understood and propagated across all NACO staff at every level of the organization, as one officer in Orissa explained:

> "Our Health Minister has declared a target for this control is to eliminate pediatric HIV. So for that pregnant women, so that if you can capture the pregnant women well in advance as early as possible in the pregnancy and follow-up thoroughly to ensure an institutional delivery where you can give Nevirapine or even more effective preventive therapies […] that is the objective.

Phase 3 was regarded amongst healthcare workers to be the first program to achieve an entire "generation free" from HIV. The rules and protocols instituted across integrated testing centers and in the prevention program reflected NACO's new organizational goal, which was also internalized by employees. When prompted, healthcare workers could clearly state their goal:

"To eliminate pediatric HIV. Transmission from mother to child has to be curtailed as much as possible [...] Zero new infections among children, that's the target".

Normative integration of work to promote common understanding

As a government program, NACO was also involved in institutional development, where alongside central government efforts to introduce coercive means of reducing stigma through legislation, NACO was heavily involved in normative change, driven by pressures brought about by professions. Building on the legitimization inherent in the licensing and crediting of qualifications amongst staff within the program, this also involved inter-organizational networks to recreate norms through education (Westhead & Howorth, 2007).

Quoted in the press the Prime Minister of India stated: "In the absence of a vaccine, the social vaccine of education and awareness is the only preventative tool we have" (McMullen, 2011). Answering the call, NACO officials defined an important mechanism designed to mitigate the effects of stigma on coordinating treatment. The first involved sensitization programs carried out by NACO employees at a national, state and district level "wherever [testing centers] are located". For instance, a three-day workshop on HIV-related stigma reduction for healthcare workers was organized by NACO and the International Center for Research on Women. As stated by the conference mission statement, "the workshop attempted to bring together both public sector and private sector health care providers to develop common strategies for stigma reduction." (Hudnut & DeTienne, 2010a). This was part of many efforts aimed at promoting stigma reduction within the public and private sectors.

Training and education was also required at the district and community levels to sensitize staff to HIV-related stigma and the coordination problems it posed to effective treatment. To achieve this, learning and dissemination at the state level was facilitated by formal conferences organized by NACO which brought together all stakeholders:

> "Recently we had a national workshop on HIV/AIDS control and prevention. Initially it was meant as a dissemination workshop for some of the studies we had commissioned but then we thought that we'll have it for a wider audience of stakeholders… We called the partners, our state societies and experts in the technical resource groups. Then we also had the development partners, UNAIDS and UNDP and WHO and all that. So we called all of them… we also invited experts to give keynote addresses. Topics, current topics like new preventive technologies and vaccine research".

At the state-level, bolstering the new goal aimed at pediatric care, NACO took steps to implement state-level provision and capacity building activities in pediatric HIV by establishing seven reputed centers, previously nominated as Regional Pediatric Centers, which were developed and strengthened as "Pediatric Centers of Excellence" (Simonetti, Wuyts, & Wuyts-Fivawo, 2007). These centers were inundated with referrals from across Tamil Nadu, 85% from the state but also referrals from other states (15%), which suggested the strategy worked to promote a greater common understanding amongst organizational participants.

Similar assimilation efforts were taking place at the community level, driven forward by new village-elected officials assigned the role of "Accredited Social Health Activists", who as one counsellor from Orissa described were "very active": "They are supporting from the field, organizing community meetings and referring antenatal cases for institutional delivery – they keep an eye out for the positively infected. They are good information sources". She went on to describe the stigma reduction efforts taking place at a nearby village:

> "We organized a community meeting there because there was discrimination of one of the families by the villagers. The ASHA [Accredited Social Healthcare Activist] counsellor and I, some members, leaders, migrants and their spouses. The local Member of Parliament was also present there […] Every Saturday afternoon, the doctor would draw a list of villages which are at high risk, where positive ratio seems to be higher, and the health workers along with family members select an age group to work with and carry out the session"
>
> "It is a success when attendees who are afraid to be tested, after attending our sessions, find their nervousness and fear reduced about being tested for HIV'… People also have limited knowledge about HIV and AIDS. ICTC, media, NGOs and government run programs that have familiarized them, enabling our sessions to be successful".

4.4.3 Emergent responses to stigmatized client settings

Observations and interviews amongst 64 frontline staff at NACO offered some extraordinary insights into how coordination takes place amongst employees operating in stigmatized client settings. Together with the positive behaviours identified in occupational 'dirty work', (e.g. reframing activities to create esteem-enhancing identities or the emergence of strong occupational ideologies through social weighting practices), we observed additional behaviours oriented towards mitigating the effects of stigma *outside* of occupational contexts.

Where coordination mechanisms implemented by formal organization design fell short, the actions of counsellors, lab technicians and outreach workers combined to establish integrative conditions for delivering services to stigmatized patients. These emergent responses included: *adaptive coordination,* enhancing predictability and work completion across partner organizations, *social goal identification*, promoting common understanding to engage marginalized clients, and *affective responsibility,* which encouraged extra-role efforts and task ownership via positive identity formation.

Adaptive coordination and predictability

Healthcare settings have often provided new insights into 'adaptive' coordination processes that occur within highly specialized teams and across diverse workgroups. For instance, 'boundary-spanners', providing information on patients across hospital units, promotes common understanding by exposing what tasks are left to be completed (Smith & Hallward-Driemeier, 2005). The process of monitoring and updating across hierarchies between attending, resident and student doctors in emergency services who know when to intervene ensures accountability within teams (Duncan, 1998). Finally, reliance on protocol and rules helps to establish predictability by incorporating knowledge of different experts during fast response situations such as trauma care (London, Anupindi, & Sheth, 2010).

We recognized similar behaviours and coordinating practices amongst frontline staff as part of their day-to-day duties. However, some additional behaviours were observed when workers were confronted with the challenges of stigma, particularly during treatment of clients and amongst their families. For instance, the way anti-retroviral drugs or counselling was delivered varied according to the client's situation, based on whichever pretense they had given to prevent disclosing their condition:

> "There is variation in what they [outreach workers] do, and it is based on what clients' needs are. The composition of clients is very different, so the only way they share with each other is they say: "This is my problem". Because they interact frequently, they're able to share tips on how to approach it".

Outreach workers described several inventive ways in which they would coordinate care amongst stigmatized clients, often involving impulsive adaptation to the particular situation or by adopting separate roles as one counsellor described:

> "For example when they go and visit a house, the mother might say [about the outreach worker] "she's my friend". Depending on the situation, they will be introduced differently. So each time they take a different role in how they approach mothers and their families. So they're not necessarily seen as outreach workers… Actresses, they're actresses".

Additional adaptive behaviours to mitigate the effects of stigma and enacted amongst the lab technicians in testing centers represented a form of positive deviance. Testing and treatment protocols generally reflected the organizational goal which placed an emphasis on the mother, and more specifically the child as the focus of treatment. Importantly, however these protocols neglected the importance of spousal testing in overcoming stigma (and non-stigma)-related loss to follow ups. For instance, clients would often provide a false name to avoid stigmatizing themselves or their family, creating difficulties when following-up with patents.

District-level counsellors commented that in some cases “only for positive cases will partners be called for counselling and subsequent testing”. However, there were many cases in which pregnant women without HIV may have had a positive spouse and could become infected prior to childbirth. For example, in one clinic in which husbands were routinely tested, they found only three positive antenatal mothers, but seven positive spouses.

Spousal testing and engaging with the families of pregnant mothers was seen as crucial for preventing loss to follow ups and therefore counsellors and lab technicians would ignore guidelines for spousal testing, such as in one state: “In Tamil Nadu you would have observed that they do spousal testing for everyone. Though that's not a central level policy or a program guideline they do it. In other states what we ensure is at least for the positive cases they have to do partner counselling and testing”. While NACO guidelines focus on the health of the child and by proxy also the mother, many counsellors understood that spouses must be involved in this process to overcome the effects of stigma within the client’s home. Hence they adapt albeit deviant practices, which contravene NACO guidelines on spousal testing to ensure predictability is maintained at a client level.

Social goal identification and common understanding

In spite of the immense personal challenges faced by frontline workers in terms of service coordination, most health workers expressed immense satisfaction for their job. By identifying with social goals rather than personal gain, they displayed pro-social behaviours which helped to promote common understanding around HIV/AIDS amongst communities, as well as other organizational participants. Grassroots efforts seemed to be inspired by a satisfaction with the organizational goal of ‘saving lives’ as one counsellor suggested:

> “When the baby comes out to be negative after so much counselling I feel very much satisfied”.

> “Many [outreach workers] are extremely dedicated and they’re doing this because they care about the outcomes. They’re doing it despite the fact that they’re getting paid very poorly”

At the management level, more effective district managers also celebrated each child “free of HIV” as a team victory. Similar sentiment was expressed by testing center staff: “This is also one reason that I very much want to do this work, we can heal people. We can avoid this disease”, comments that were heard in strong and weak districts. While in weaker districts, they were expressed in responses to questions regarding compensation and career prospects. In stronger districts they were volunteered as expressions of team cohesion and pride.

Motivated by the prospect of ‘saving lives’, ‘avoiding the disease’ and ‘healing people’, these sentiments amongst counsellors and outreach workers were projected into a positive work identity, as one technician explained: “All the staff, we work against HIV, and this is our role, this is our service to people”. Another process by which this identity was formed was by counsellors deflecting the focus of their work on HIV/AIDS by likening it to ‘family planning’, which was also a service they continue after the safe delivery. One counsellor described cases where ‘patients have three or four children and after that they’re still getting pregnant. We provide this service also”.

Regardless of its formation, positive work identity induced informal practices which helped to establish common understanding amongst HIV/AIDS workers across many levels of the organization. For instance in Tamil Nadu, counsellors described how they organized community meetings, inviting external partners involved in HIV/AIDS prevention, such as: ‘NGOs and people from positive networks’. They described how: “Once a month with our block-level, we discuss the reach of our [testing center], the service gaps and how to reduce this. Such coordination helps us to effectively do this service”

This satisfaction caused outreach workers to build up customer intimacy over time, not just during prevention but later during treatment. In doing so, they described how they would develop a support group around the patients they managed. Despite being required to provide advice only, outreach workers would take food to their patients or provide financial support to access care as well as offset the damaging effects of anti-retroviral therapy medicine. Several of them suggested that by providing funding for food, more mothers would stay on treatment services:

> “[Anti-retroviral therapy] is quite devastating on the body. Most people who take that don’t have proper nutrition, meaning they take it on an empty stock. So the drop off rates are higher because it’s wrecking their body and they’re not able to cope”.

Affective responsibility to enhance accountability

In most cases amongst frontline staff, frontline workers would show personal commitment to completing information flows and overcoming the coordination barriers caused by self-stigma amongst clients and institutional stigma in healthcare settings. In weaker states, often where no clear accountability was defined, we saw extra-role efforts amongst frontline staff compensating for deficiencies in formal organization design. For instance, in an interview with a group of HIV positive women working as outreach workers, one leader was asked:

> **Researcher:** What challenges do you face?
> **Outreach Worker 1:** Stop asking that; I'll start crying.
> **Outreach Worker 2:** There's nothing about crying, we'll face it.
> **Outreach Worker 1:** We're never off-call, we're always on call. Whether it's four in the morning or at midnight and if there is a problem we have to accompany them [to the district hospital] if there is a delivery. So there's no switching off the phone. So there is always a challenge. The biggest thing is the number of people allocated has increased dramatically.

Practices carried out by outreach workers often led them to behave in a manner that would appear, without exaggeration, to border on the heroic. To prevent positive mothers from falling victim to institutional stigma within the state hospitals, they would accompany them (at all hours of the day) to guarantee delivery. Also, due to the stigma that some HIV positive women faced at home, outreach workers could not simply show up at a client's residence:

> **Researcher:** How do you make contact if stigma is a problem in the household?
> **Outreach Worker 3:** To actually reach people you have to be very creative. You have to give up self-worth. Some people they don't tell their family, because of their mother-in-law or something like that. So what we do is they just give a call and say I'll wait for you at the bus stop. And sometimes I wait four, five hours at the bus stop before that person is able to come. So, you know, if you're a single woman standing at the bus station for long, your intentions could easily be misinterpreted.

Sometimes outreach workers would wait for hours in order to deliver the drugs required but to no avail. In one interview, an outreach worker described a case of a spouse turning a dog loose on her while she tried to convince the woman to come in for treatment. Another had to pay out of her own money for a patient to attend the antenatal clinic:

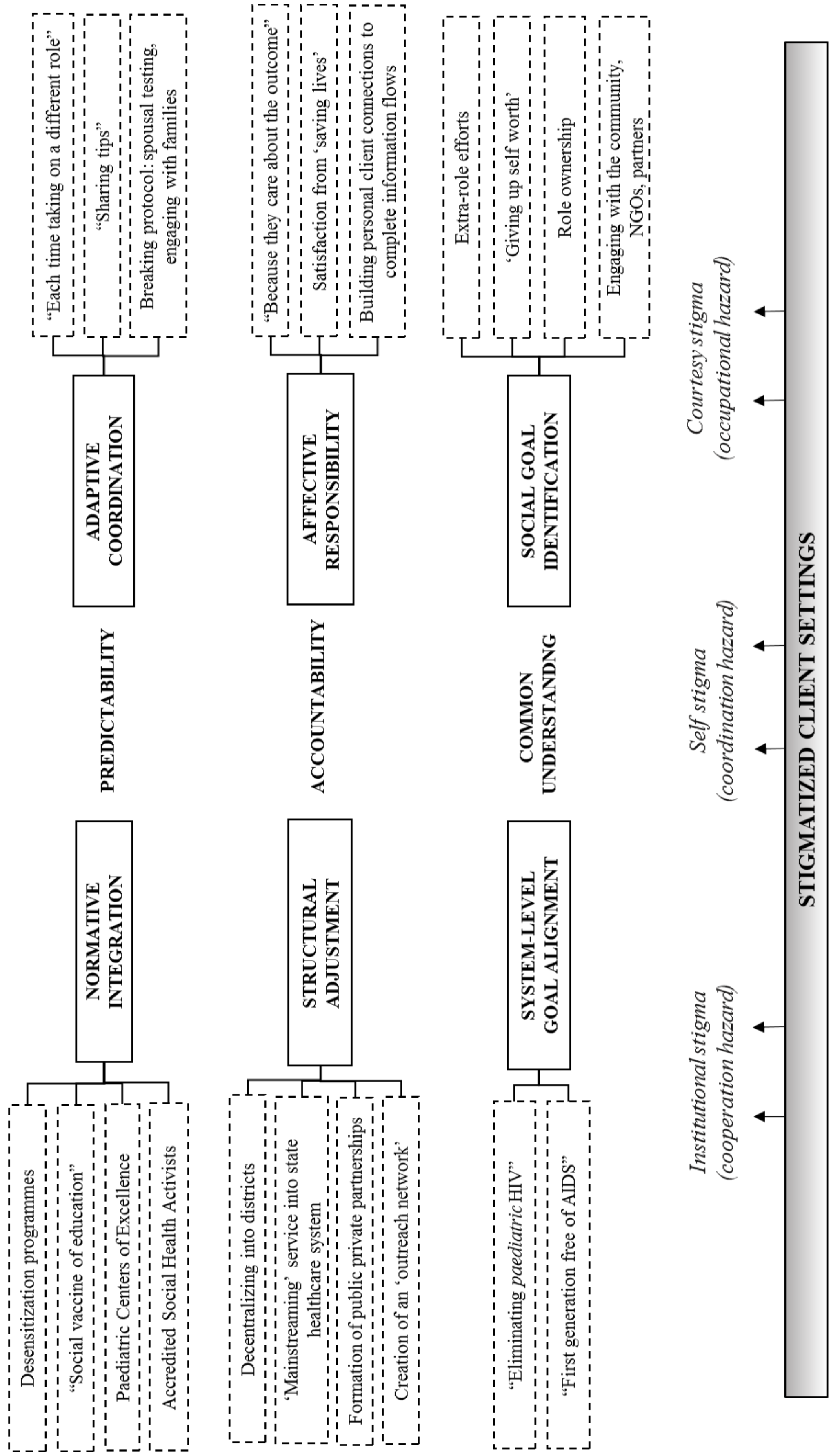
> "Now that is out of our pocket. So yesterday's example I actually spent Rs. 120 ($3) for an auto-rickshaw to go and visit. In most cases [clients] don't have money. So if I bring them to a support group, I have to pay for their bus fare".

The concept of task ownership and accountability appeared to be a key feature that distinguished both front line service levels and the quality of the managerial function within state hospitals. In stronger district systems, there was clear sense of role ownership and personal responsibility, both for individual level outcomes and for HIV positive mothers and their children. The counsellor operated under the assumption that from when a pregnant woman was diagnosed as HIV positive until at least 18 months after delivery, he/she was responsible for making sure the mother was retained in the system. This involved her receiving adequate counselling and care. In contrast, state and district systems lacked this ownership, and as a result, clients were frequently transferred between units. In the cases we heard of, this concept of "ownership" of the client within the healthcare system was ambiguous at best.

In contrast, across better functioning districts, the sense of ownership conveyed by front line workers was matched and complemented by a sense of "system" ownership conveyed by managers one and two levels above the client interface. Good managers assessing performance primarily through examination of reports and quantitative patterns took ownership of system issues in a manner that complemented front-line employees. This engendered mutual respect and support between NACO officials and client service professionals.

As a way of summarizing our findings, we include in Figure 9 our data structure and model to illustrate our narrative of how the interplay of organization design and coordinating practices helped to mitigate the effects of stigma by re-establishing the integrative mechanisms required for coordination.

<u>Figure 9. Model of data structure</u>



4.5 Discussion and conclusion

Conceptualizing stigma as an organization design problem

Most definitions of stigma recognize two fundamental components, namely the recognition of difference and devaluation that occur during social interactions. (McAfee, 2012). It occurs at societal, interpersonal, and individual levels (Collier & Dollar, 2004), and can manifest itself *overtly* through aversion to interaction, social rejection or the depersonalization and negative evaluation of stigmatized entities (Linnemayr et al., 2008). It may also occur *subtly* through discomfort and tense social interactions between the stigmatized and the non-stigmatized (Ghosh & Van Tassel, 2011). Link and Phelan (2004) propose a process of stigmatization, which includes four interrelated activities: i) distinguishing and labelling, ii) building negative associations through stereotyping, iii) separation and the creation of 'otherness' and iv) status-loss and discrimination.

Each of these social processes has implications for organization design when present in its social environment by disrupting the integrative conditions required for coordination (Devers et al., 2009). Based on our findings, it is possible to draw theoretical distinctions across levels of analysis, particularly the differences between individual, associational and institutional stigma. Whereas parallel research efforts have focused on the boundary management processes of core-stigmatized organizations, (Hudson & Okhuysen, 2009) designed to conceal stigmatized attributes and minimize stigma transfer, we present our contribution based on contingency arguments of how organizations adapt to mitigate the effects of stigma originating from client settings.

Multi-level effect of stigma

To establish a clear theoretical relationship between stigma and organization design, we compare our findings with extant stigma literature to understand how it influences interactions at multiple levels of organization, focusing on the dynamic relationships that make up collective work. Scholars have observed manifestations of stigma at individual, workgroup and organizational levels and how they induce diverse cognitive, affective and behavioural responses amongst participants. While some present both coordination and cooperation hazards, others have been shown to elicit positve behaviours, which help to mitigate the effects of stigma (Ashforth, Kreiner, Clark, & Fugate, 2007; Kreiner et al., 2006). By relating these processes to coordination activities within organizations, we conceptualize stigma as an organization design problem. We consider three types of stigma (see Table 12), the coordination hazards they pose and strategies for their mitigation.

Table 11. Multi-level responses to stigma

	INDIVIDUAL	ASSOCIATIONAL	INSTITUTIONAL
Locus of stigma	Client-interface (community)	Intra-organizational (workgroups)	Inter-organizational (partners)
Manifestation	Coordination hazard	Occupational hazard	Cooperation hazard
Organization design response	Hierarchical decomposition and horizontal extensions	Normative integration of work	System-level goal alignment: 'From mothers to babies'
Employee (behavioural) response	Affective responsibility	Adaptive coordination	Social goal identification
Integrative conditions	Accountability for organizational outcomes	Predictability across workgroups	Common understanding across institutional contexts
Related literature	Link & Phelan, 2001;	Ashforth & Kreiner, 1999, 2007	Hudson & Okhuysen, 2009

Individual (self) stigma: Countless studies in social psychology have shown the detrimental consequences of stigma for the psychological wellbeing of individuals (de Wit & Berner, 2009; Goldring, 2004; Liu & Sun, 2005). This includes members of stigmatized social categories (e.g. convicts, homosexuals, HIV patients), individuals residing in organizations, affected by the roles they occupy, their experiences in performing them (e.g. bankrupt firms, strip clubs) or stigmas originating from outside the organization, such as invisible social identities or association with stigmatized individuals in the workplace (Clair, Beatty, & Maclean, 2005; Devers et al., 2009; Kulik et al., 2008; Ragins, 2008). While recent studies on individual-level stigma have drawn attention to its role as a natural component of sensemaking in organizations (Paetzold et al., 2008), a disproportionate emphasis on its consequences for identity obscures its influence on control processes inside organizations as well as how stigmatized client settings determine organizational structures, processes and routines.

The effects of self-stigma are shown to be *enacted* through negative treatment, discrimination and social rejection, *felt* as a result of experience or anticipation of stigmatization or *internalized,* reducing self-worth and denying opportunities (Rogerson, 2004). For instance, studies amongst employees show how negative self-identities cause powerlessness and work-alienation, cause them to act in ways that confirm erroneous perceptions of themselves or to pursue coping strategies that impose a personal cost on their health, wellbeing and advancement (George et al., 2012; Ragins, 2008). The same effects are manifested at the interface between organizations and stigmatized clients where the impact on coordination is perhaps most salient. As part of a two-way process, stigma prevents access to clients due to identity concealment in the face of marginalization and social rejection, whilst clients deny themselves opportunities as well as access to support through withdrawal or avoidance of entities that are themselves stigmatized. For instance, research on mental health services show many would-be beneficiaries opt not to pursue them or fail to fully participate in order to avoid the label and the harm that self-stigma brings. Stigma in this case leads to disenfranchisement, robbing people of social opportunities. The role of organization design in enabling the delivery of such opportunities, such as new drugs and support services has been understudied and is in much need of scholarly attention (Gimet & Lagoarde-Segot, 2012; Pingali & Traxler, 2002).

Associational stigma: The social processes accompanying stigmatization within and across workgroups can prove disruptive, especially considering the importance of familiarity and trust in collaborative work (Bado, 2012; Gulati & Ganguly, 2010; Thaver & Long, 2012). Research shows how stigma processes can undermine the cohesiveness, morale and effectiveness of an entire organization as the result of gossip by creating a culture of distrust (Kulik et al., 2008). These also have implications for cooperation, whereby the desire to avoid stigmatized individuals or 'dirty work' can cause employees to shirk activities deemed 'physically, socially or morally tainted', (Kwak et al., 2009) thus breaking down accountability and predictability required for collective work across hierarchies and firm boundaries (Ahmed & Hossain, 2007; Langmore, 1995). At an occupational level, the psychological impact of becoming associated with 'tainted' work provokes a diverse set of cognitive, affective and behavioural coping strategies, some of which reveal a positive side to the consequences of stigma, such as contributing to social or organizational control and encouraging organizationally valued behaviours. For instance, studies on dirty workers demonstrate how they create a positive (esteem-enhancing) identity, intended to reframe, recalibrate and refocus the meaning of their work. In turn, this nurtures occupational ideologies that enhance group culture, or devise social buffers and social weighting practices to moderate the impact of stigma (Ashforth & Kreiner, 1999; Kreiner et al., 2006). Managerial tactics include defensive tactics confronting clients and members of the public or alternatively, symbolic management through the use of stories and myths to reinforce occupational ideologies (Ashforth et al., 2007). Such research suggests workgroups play a powerful role in mitigating the effects of occupational stigma. Our findings suggest similar behaviours act to mitigate effects in stigmatized client settings, often as a function of setting higher level goals of system and subsystem units (Wim et al., 2004).

Organizational stigma: Research on stigma at an organizational level has fought hard to differentiate the concept from social evaluation constructs such as reputation, status, celebrity and legitimacy (Devers et al., 2009). They distinguish between two types of organizational stigma: *Core* stigma, relating to stigmatized organizational activities or categories (Hudson, 2008; Vergne, 2012) and *event* stigma. Organizations are made up of collectives of components (individuals, departments and units) whilst organizational boundaries are fluid or permeable, suggesting that organizations are more capable of redrawing boundaries to exclude offending parts (Devers et al., 2009). Organizational scholars focus on boundary management processes intended to prevent, remove or dilute stigma through active removal or decoupling certain components. These boundary management processes broadly reflect coping strategies observed at an occupational level (Okhuysen & Bechky, 2009). Far less attention has been given to the root cause of stigma within an organization's social-structural context or how they can effect institutional change.

Institutional stigma: This type of stigma represents the legitimization and perpetuation of stigmatized status of individuals, occupations or organizations by society's institutions and ideological system. The processes condition, cultural norms and institutional policies that constrain the opportunities, resources and wellbeing of stigmatized entities. Not solely the domain of non-governmental organizations or public organizations, research suggests that private sector organizations also have an important part to play in changing these norms (Hudson & Okhuysen, 2009).

Coordination mechanisms and coordinating practices

By demonstrating the interplay between formal organization design and emergent responses triggered amongst employees, our model integrates prior work on coordination mechanisms in organizational literature with recent scholarship on coordinating practices. These emergent practices can be observed in the activities and behaviours of individual employees enacting 'normalizing' strategies within stigmatized client settings. In this way, our study adds to recent work attempting to understand the relationship between formal coordination mechanisms and informal coordinating practices (Jarzabkowski et al. 2012, Stjohn and Rue 1991, Wry, Lounsbury and Glynn 2011).

Under ideal circumstances, coordination mechanisms act as organizational arrangements that allow individuals to realize collective performance (Mintzberg 1989). They are an essential outcome of effective organization design and represent the most basic elements of structure. In a recent review of the literature, Okhuysen and Bechky (2009: 469) summarize the role of coordination mechanisms within organizations: "The multiple definitions… embody evident commonalities: (1) people work collectively; (2) the work is interdependent; and (3) a goal, task or piece of work is achieved". These coordination mechanisms include standards, rules, schedules, routines, as well as roles, representations and structural elements that enable interdependent tasks to be achieved through a set of 'integrative conditions', namely: accountability, predictability and common understanding (Okhuysen and Bechky 2009).

While coordination mechanisms are essential for teams, business units and organizations to operate, more recently, scholars have emphasized the need for flexibility in the formal elements of design as a way of coping with uncertainty (Argote 1982, Thompson 1967), novelty (Adler 1995) and problem complexity (Adler 1995, Crowston 1997) associated with organizational activities. This research is less concerned with how organizational arrangements can be 'configured' for optimum performance, and more with how the work of such arrangements is executed i.e. how coordination happens, regardless of organization design. This 'dynamic aspect' of coordination has led scholars to reframe them as coordinating practices shaped and adapted by organizational actors at an individual and group-level (Jarzabkowski et al. 2012, Weick 1979). It has also led to new categories of coordination research, such as communicating (Ballard and Seibold 2003), cooperation (Pinto et al. 1993, Srikanth and Puranam 2011) and knowledge sharing (Cramton 2001, Kotha et al. 2013). Our study demonstrates how individual responses to coordination failures triggered by stigmatized social settings evoke emergent, compensatory behaviours to restore coordination.

Recent trends in organization design offer additional granular insights into optimizing processes in weak institutional settings, trends that move beyond generic principles of structure to encompass cognitive processes of sensemaking, creation and discovery, as well as social, economic and political processes of developing and changing programs, policies and routines (Van de Ven, Ganco and Hinings 2013). Previous focus on structure, strategy and systems has overlooked how work is subsequently carried out within the organization as a result of design choices and organizational problem-solving. Although there has been emerging interest in the combination of formal mechanisms and informal practices involved in organizing (McEvily, Soda and Tortoriello 2014) the relationship between micro-level actions and organizational level theorizing represents a fresh contribution to organization design, shifting from formal structures to the micro-foundations of organizational processes (Gulati et al., 2012).

Conclusion

Our study demonstrates how social stigma disrupts the integrative conditions required for collaborative work amongst organizational participants. A combination of organization design tools and emergent practices amongst employees ensure accountability, predictability and common understanding in work settings. At an *individual-level*, self-stigma amongst stigmatized clients results in coordination failures, particularly at the interface with organizations, ii) at an *occupational-level*, it elicits behaviours amongst workgroups that help or hinder coordination iii) at an organizational-level it influences how work is divided across vertical hierarchies, organizational units and external partners as well as the complex interactions within its institutional environment. In this paper, we demonstrate that formal design processes are not enough to mitigate the disruptive effects of stigma and hence informal practices are essential to completing coordination in stigmatized client settings.

Appendix 1: NACO Sample interview protocol

Section A: Opener on success stories (10 minutes)

Our interest is to document innovations at the district level that has been successful at reducing loss to follow ups in prevention of mother to child transmission. Can we start here and discuss any successful innovations? (For us innovations are changes to how program are run, designed and implemented).

- What has been the most successful innovation in prevention of mother to child service delivery
- Who were the partners involved?
- What were the critical success factors?
- What were the three main drivers of this success?
- Could you indicate in %, how the following factors contributed to the success:
    - Key person
    - Collaboration with local partner
    - Integrated approach among agencies
    - Others
- What are the top three ways in which international agencies helped this innovation?
- What was unique about this innovation that made it successful?

Since we've been talking only of success, can we briefly get a feel for innovations that we unsuccessful?

- What were the main drivers for that?
- What was the difference between the successful and unsuccessful innovations?
- Is having an integrated approach one of the drivers for success?

Section B: Prevention of mother to child transmission service delivery (10 minutes)

We now want to focus on the prevention program overall. Can you tell us a bit more on the general trends and your perceptions?

- How is the experience different across rural vs urban settings?
- Harmonization/coordination between donors to avoid duplication of investment
- Follow up rates improvement
- What is your view of prevention programs in general?
- What are the main issues?
- Which three areas for improvement are essential?
- How is the programs likely to change in the near future? Why?
- Before the end of the interview, can we get some basic background information on experience?
- When did you become involved with the prevention program?
- What part of your time is spent on prevention programs?
- In your view, which initiatives could be done by the main international organizations to improve the success of prevention programs?
- Which initiatives could be done by the national organizations to improve the success of the program?

Section C: Variations in PMTCT delivery? (10 minutes)

This section was focused on variations in service delivery across the three states. We were concerned with why these variations occurred. Hence various follow-up questions were posed around the effect of stigma and resource constraints on delivery effectiveness.

- How many patients do you visit on a daily basis?
- How many of them are HIV positive this month?
- How many mothers transmitted HIV to their child last year? And last month?
- Is the father tested?
- Can you describe the process of how the service is delivered? From testing to counselling to treatment
- How do you ensure that every mother (institutional delivery) is tested?
- How are pregnant mothers registered? Are some referred by other hospitals?
- What is the gap between test center registration and actual testing?
- Who administers the service?
- What are the main reasons for loss to follow up?
- Is stigma a significant factor affecting service delivery?
- How do you make sure that pregnant mothers come to the anti-retroviral therapy regimen

Appendix 2: Integrated Counselling and Testing Centre at the Community Health Centre in Hinjilikatu, Ganjam District, Orissa State

5 Hybrids, Stakeholders and Salient Preferences[4]

Prior studies on hybrid organizations, defined as organizations that pursue both social and economic objectives, have emphasised opposing logics, disputed identity and organizational legitimacy, suggesting an inherent tension within hybrid governance forms. Combining stakeholder theory with perspectives from organization design, I explore how the prioritization of stakeholder preferences within two hybrid organizations influences internal governance and organization design arrangements. My findings demonstrate how *salient preferences* create complex trade-offs between coordination and agency costs associated with alternate governance choices. Such *organizational costs* have implications for the depth and breadth of hybrid organizations to enact social value creation while simultaneously pursuing profit-seeking goals. Implications for hybrid organizing, informal market-entry strategies, and organizational responses to stakeholder preferences are discussed.

5.1 Introduction

The role of rural electrification in achieving both social and economic development is well-documented (DFID, 2002; GNESD, 2007), and yet the provision of electricity services within informal market economies has been neglected as a context for management research in spite of privatization of many electricity markets as far back as the 1980s and 90s (Haanyika, 2008). Characterized by geographical remoteness, low-incomes and high transaction costs, rural settings offer limited economic incentives for profit-seeking firms operating in developing countries. Many of these are located in regions of extreme poverty, classified by development agencies as 'beyond the pale' of market efficiency and even sustainability, irrespective of government and aid efforts to subsidize capital costs (Yadoo & Cruickshank, 2010). Rural electrification organizations subsequently face the dual challenge of designing organizations that bridge access to base of the pyramid markets, whilst ensuring socially and economically sustainable governance arrangements are introduced to maintain long-term service provision.

Countless risks and uncertainties are associated with entering informal market economies, particularly by foreign enterprises suffering the 'liability of foreignness' (Zaheer, 1995). Governance studies within international business have previously focussed on decision-making processes amongst the board of directors, chief executives and senior managers as well

[4] I am the sole author of this chapter. Content for the E4D case study was drawn from a multi-institutional research programme, led by Imperial College Business School and the University of Southampton, funded by the EPSRC. Extracts have previously been published on the Case Centre (Reference no. 314-174-1), for which the Energy for Development (E4D) team, including Professor Gerry George, Priti Parikh and Krishna Venkata are my co-authors.

as monitoring and information asymmetries in cases of foreign ownership (Chung & Luo, 2008; Desender, Aguilera, Lópezpuertas-Lamy, & Crespi, 2014). While corporate governance has provided insights into the coordination of information, incentive alignment and risk-taking, new trends and new contexts, raise questions on the role of managers, on the internal and external processes taking place beyond organizational boundaries, and on new activities involving a broader set of stakeholders, such as opportunity co-creation with employees, customers and communities (Puranam et al., 2014; Tihanyi, Graffin, & George, 2014).

Meanwhile, contributions have been made within the emerging literature on *hybrid* organizations, which focusses on conflicting governance logics and identity tensions arising from the simultaneous pursuit of profit and socially-driven goals (Battilana & Dorado, 2010; Battiliana, Lee, Walker, & Dorsey, 2012). Further study on hybrid organizations is important not only to understand their capacity to overcome these tensions but also as a mechanism for accessing base of the pyramid (BOP) markets despite the prohibitively high transaction costs that deter many private participants. While institutional costs can be mitigated through new organizational forms, their success depends on the capacity to reduce coordination costs across geographically-dispersed and culturally-heterogeneous contexts (Mair, Martí, & Ventresca, 2012; McMullen, 2011), as well as agency costs resulting from the lack of formal contractual or monitoring mechanisms in weak institutional environments (Kistruck et al., 2013). Reflecting the fears expressed by development agencies, the persistence of these institutional factors raises questions on which organizing or governance principles can socially and economically sustainable hybrids be designed to deliver new products and services to the BOP.

I explore this question through a comparative case study (Eisenhardt, 1989) of two rural electrification organizations: Energy for Development (E4D) and Meshpower. Both organizations were founded in the UK between 2009 and 2012 and operate in BOP markets in Africa (Kenya and Rwanda respectively). Both faced the challenge of responding to socially and culturally diverse stakeholders in informal economic sectors, but approached it differently and with varying success. This paper advances research on organization design in community settings by observing the governance implications of opportunity co-creation (Tihanyi et al., 2014). More generally, it answers calls for ‘expanding contexts to redefine theories’, introducing a global dimension to governance scholarship (George, 2015a). By adopting Africa as a research context, I analyse how stakeholder preferences, and their perceived salience influences organization design decisions and governance modes. The comparable business activities and their almost identical contexts, present these organizations as an ideal field setting to address my research question.

Stakeholder challenges for inclusive governance: Coordination and agency

Delivering inclusive innovations through consumer and community co-creation in developing countries occurs within informal market economies comprising over one billion people (Anderson & Billou, 2007; Collier, 2008; Prahalad & Hammond, 2002). This represents an enormous population that remains disconnected from global value chains, lacking access to basic infrastructure and other essential welfare services (George et al., 2012; Hart, 2005). Consumers within these informal economies are often forced to pay in excess for access to water, energy and financial products due to lack of competition and the cost of access (Prahalad & Hart, 2002). The potential to make substantial profits from selling goods and services within these markets attracts many different types of organization, including private enterprises, non-governmental and non-profit firms (Seelos & Mair, 2007). Besides the challenges of delivering the intended social benefits of inclusive innovation (Karnani, 2010), many organizations attempting to commercialise new products and services have struggled with achieving financial sustainability (London & Hart, 2004), either in paying back initial capital costs or in successfully distributing sufficient volumes to achieve scale. This is often the result of coordination challenges between organizational participants due to sociocultural distance or geographical dispersion preventing economies of scale, where coordinating access means each additional customer incurs an additional cost to the firm.

Governance challenges often arise from the nature of an organization's sociocultural and institutional environment. Cultural heterogeneity, multiple languages and an embedded distrust of "outsiders" amongst rural communities present significant marketing and distribution challenges to consumers (Kistruck, 2010; Viswanathan & Rosa, 2010). To overcome these problems, organizations necessarily seek out locally-embedded individuals to act as influential agents within rural market communities. While these individuals are fundamental to gaining access to informal institutions and generating acceptance of new products and services (Kistruck, Beamish, Qureshi, & Sutter, 2013; Kistruck et al., 2013), they can also impose significant agency costs on the organization (Khanna & Palepu, 1997). Weak institutional arrangements for legal contract enforcement, (De Soto, 2000) and the lack of sufficient transport and technological infrastructure also make monitoring and coordinating activities difficult and expensive in remote settings (Webb, Bruton, Tihanyi, & Ireland, 2013).

Similar agency costs may also arise when engaging local communities and stakeholders whose interests are not aligned with the organization. This leads firms to expanding organizational boundaries or adopting alternative governance forms such as franchising, which has received much attention in theory and practice due to its ability to place transaction responsibilities on local agents or salespeople, whilst remaining in control of product or service delivery (Dant, 1998). The need to maintain control however, still results in often overwhelming monitoring and enforcement costs (Kistruck, Webb, Sutter, & Ireland, 2011), especially in highly dispersed consumer and community settings.

Operating within informal, community settings also opens up a new set of stakeholders, causing hybrid organizations to adapt organizational activities, processes and routines that can incorporate the additional needs and wants of community participants into their organization design. Specifically, how they access and allocate tasks or resources required for service delivery, incentivise organizational and community stakeholders, as well as coordinate information flows between them. In addition to exploring problems of governance in different contexts, such as family firms, entrepreneurial businesses, NGOs or public-private partnerships, this includes exploring governance at different levels of analysis, such as between managers and teams and at the interface with customers or community members. These advances require analysis of new processes, shifting the attention from incentive alignment to internal organizational architecture, governance practices and external social processes or policies (Huy, Corley, & Kraatz, 2014). Moving beyond organizational purpose as serving the preferences of firm investors, recent reinterpretations of stakeholder theory also emphasise concepts such as legitimacy (Klein, Mahoney, Mcgahan, & Pitelis, 2013) and a reappraisal of the actors that lay claim to governance rights, decisions and processes. This should be equal to the level of stakeholder participation within the organization and create opportunities to overcome disenfranchisement amongst previously excluded social and organizational participants (George et al., 2012; Tihanyi et al., 2014).

The result of my comparative analysis is to extend a prevailing view within stakeholder theory that firms exist to meet the demands of their most important stakeholders (Mitchell, Agle, & Wood, 1997), and hence organizations are designed or structured in a way that meets their preferences. This process has been analysed in the context of family firms (Mitchell, Agle, Chrisman, & Spence, 2011), with reference to capital structures (Bruton, Filatotchev, Chahine, & Wright, 2010; Ofori-Dankwa & Julian, 2013), and considering the effects of corporate social responsibility practices on firm performance, (Choi & Wang, 2009; Wang & Qian, 2011), but so far it has not been considered in the context of hybrid governance, especially in informal economic sectors. Secondly, in my study I reverse this relationship to explore how salient preferences, especially those present within community contexts impact organization design. This is understood as the internal arrangements directed to complete interdependent tasks for achieving a common goal (Greenwood & Miller, 2010), which include both allocation of tasks and resources (differentiation), and decision-making protocols that determine the coordination of work (integration) (Lawrence et al., 1967). These also include incentive alignment and information transfer (Mintzberg, 1979), which are closely related to governance choices (Williamson, 2002). Adopting this lens opens up questions such as, how should social enterprises prioritize stakeholder preferences? Should the focus be on the end-user, and if so to what extent does co-creation help to bridge access and overcome information asymmetries in informal markets? Or if community development is the overall objective, should community needs and preferences be prioritized? If so, how might these preferences influence governance mechanisms and organizational arrangements to meet the demands of salient stakeholders?

5.2 Methods, data collection and analysis

My two research sites, Energy for Development (E4D) and Meshpower, adopted similar solar PV technologies and service models for delivering electricity to households and businesses in rural village communities. Both were created within two years of each other – in 2010 and 2012 respectively, and were in the early stages of their operations. Both had their headquarters in the UK and a network of micro-grid systems within Africa (Kenya and Rwanda), while Meshpower also had systems in India. Both companies were required to address the additional coordination challenges imposed by poor communication and transportation infrastructure in rural markets, as well as the difficulties of governing across sociocultural and geographical boundaries. Apart from the management of the cooperative, which in E4D's case was eventually carried out at the community level, decisions on organization design were made by the management teams of each organization from their respective UK headquarters, and each day local sites reported their operations to the central office. Finally, both organizations relied on external donors/investors, Meshpower on business angel (equity) investment, E4D on grant funding, although both incorporated social and economic goals.

The Energy for Development (E4D) Network was established in 2010 as a non-profit, humanitarian project led by the University of Southampton's Sustainable Energy Research Group and Imperial College Business School. Funded by the UK Department for International

Development, its objective was to establish and implement renewable, off-grid energy solutions, which included a sustainable governance model for East Africa. It involved an internal or external donor providing the investment, while the community took an interest in running the project. Members of the community were provided with training to implement a revenue-generating business, which could sustain the system and allow it to be replicated. Simultaneously, E4D was implementing a micro-grid solution based on the same technology in Oloika, Kenya, Bambouti, Cameroon, and other locations across Africa. The success of these projects ultimately depended on the implementation of a proven and sustainable governance model in Kitonyoni. By September 2014, an autonomous cooperative enterprise had been successfully established and the system was handed over to the community to run the microgrid.

Meshpower is a social enterprise based in the incubator at Imperial College London, which spun out from a rural electrification organization called e.quinox. This new organization was the result of the founding team leaving their previous company to establish a new enterprise with equity investment from a business angel and early employee of technology company, Google. The company also received grant funding from Royal Dutch Shell and the UK Climate Knowledge and Innovation Community (KIC), which was directed towards driving their 'social mission' forward.

Data Collection

Between December 2013 and March 2014 (12 weeks), I worked as a Research Associate within the E4D team in London, which involved me reviewing literature on business models for rural electrification, writing a case study on the cooperative established in Kitonyoni and presenting it back to the organization, as well as benchmarking and analysing results from surveys to devise a suitable tariff structure. In addition, I developed a business model simulation (see Appendix 7),[5] which allowed the team to experiment with different inputs related to consumption, pricing, financing and system design for future replication projects. The role also involved hosting meetings at Imperial College London, attending meetings at Southampton University and keeping minutes. Secondly, between January and April 2015 (12 weeks), I was based at Meshpower as part of an ethnographic study, spending three days a week at the organization, between the hours of 9am and 4pm. During this period, I was at times both a participant and an observer, engaging in market research, designing and analysing customer

[5] In collaboration with Krishna Venkata, an MSc student at Imperial College Business School

surveys, attending management and board meetings, as well as providing some consulting services on how to establish a marketing function within the organization.

Semi-structured interviews: Interviews were carried out in two stages with all team members within Meshpower (n=5) as well as key members from E4D based at Imperial (n=3) and Southampton (n=4). Firstly, at the beginning of each project (January 2015 and December 2013 respectively) in order to understand more practical, aspects of each enterprise as well as my own roles and responsibilities as part of the team. Secondly, in March 2015, more comprehensive and research-focussed interviews were carried out with the same team members counted above (n=12). Due to both organizations being under 10 people, and hence a limited sample, I had to prioritize quality over quantity. Interviews were semi-structured, and followed a protocol that evolved with the research project (Strauss & Corbin, 1998). They lasted an average of 1 hour and 10 minutes, were recorded and subsequently transcribed. Among the questions included in the protocol were: What is the organization's main goal? Who are the key stakeholders in your business and what are their objectives? How do they determine the way you run the organization? How do you engage the community or local agents into your organization design? What are the key barriers to adoption and how do you bridge access? What is the role of intermediaries? How do you communicate the service offering to consumers? And how do you adapt your service offering to what you perceive as the needs of different customer segments or stakeholders? Questions were also asked about the specific roles, responsibilities and experiences of the employee or team member (See Appendix 3 for sample interview protocol).

Field notes: Alongside formal interviews, many field notes were taken during informal and formal meetings with team members, which were used to gain a clearer understanding of conditions on the ground, especially when team members had returned from a visit to the communities in Kenya or Rwanda. I found informants would give more in depth insights as well as some anecdotal evidence of the governance or coordination challenges the organization was facing. In addition, I kept a detailed record of the organization's progress at each stage of my research placements both in the process of taking formal minutes and on a notepad throughout the day in order to record key incidents, decisions or conversations that happened.

Archival and enterprise documents: Both E4D and Meshpower kept a shared folder of archival material and current working documents for running each project. These included completed customer surveys, real-time usage and payment data of the micro-grid sites, photographs of the sites and company documents, including the minutes of all team meetings and key internal correspondences. I had unlimited access to this material, although quantitative data from customer surveys, usage and payment patterns were restricted from publication. Given their quantity, the available documents were not coded but were used as background information about the organizations' activities and to help providing context to the comparative case study. They also helped to form a timeline of key events in each organization's development.

Data Analysis

I carried out analysis of how E4D and Meshpower established socially and economically sustainable rural electrification organizations in remote settings through an in-depth comparative analysis of the similarities and differences in their approaches to organization design (Eisenhardt, 1989). Relevant responses within the interview data and field notes were identified and patterns within that data were subsequently explored (Strauss & Corbin, 1998). This process comprised four separate steps in order to make sense of large amounts of qualitative data and avoid analytical biases. The first step involved a line-by-line analysis of all transcribed interviews and field notes, focussed on extracting interviewee and participant's perspectives with very limited analysis.

Secondly, I carried out a detailed analysis of my notes and interviews by clustering information to understand specific questions such as what, why, who and when (Lofland, 1976). This prevented me from introducing premature analytical bias and allowed the interviewee's perspectives to shine through. In the third stage, I iterated my analysis between theory and data (Ragin, 1994), focussing on each organization's struggle to design a socially and economically sustainable organization within complex stakeholder settings, having observed the key challenges from interviewees, which included themes such as overcoming adoption and institutional barriers within the context, coordination challenges of operating in remote, culturally diverse settings, engaging community leaders and members, and attempting to meet the needs and preferences of customers, employees and partners. This began to reveal patterns by which the organization was 'taking stock' of stakeholder preferences, as well as explicitly sharing their organizational objectives, concerns and revelations.

Analysis of the interviews also began to expose organization design decisions influenced and informed by realizations on the ground, pressures from community stakeholders and investors or grant providers, as well as from capturing needs within consumer surveys, phone calls and market experiments. I identified key differences between the two organizations pertaining to goal emphasis on social or economic objectives, contrasting prioritization of key stakeholders and their inclusion or exclusion in decision-making, and how they employed alternative mechanisms for coordinating access in remote communities. This observation coincided with findings from literature on stakeholder theory, preferences and organization design in "base of the pyramid markets", specifically aspects of coordination in inter-organizational and community contexts and governance choices, such as use of intermediaries or community interventions (cooperatives) in informal market contexts.

The final step was to confirm my findings from interviews with field notes and observations from archival data on how each organization had progressed during the period under research. This involved revisiting interviews, case studies and reports I had written for the organization earlier in the research project to understand how these situations had evolved and compare them to observations and explanations given in hindsight. By taking a historical look back, I was also able to complete the narrative with greater accuracy, as to why, when, who and how key governance and organizational design decisions were made.

In the sections that follow, I offer some background on the institutional challenges of rural electrification in countries such as Africa around access and ownership, followed by a comparative analysis on the contrasting governance approaches employed by two social enterprises. Following Lincoln and Guba (1985) as well as similar qualitative studies that have put this method to good effect (Battilana & Dorado, 2010), I divide my results into first-order interpretations (closer to interview, archival data and field notes), followed by second order interpretations, which focus on my research question.

The rise of rural electrification

Across the world, nearly 1.3 billion people lack access to electricity and over 2.6 billion still rely on traditional and mostly harmful fuels for cooking (OECD/IEA, 2012). It was estimated that in 2008, 85% of the energy provision gap was concentrated around rural communities (ARE, 2011). A vast majority of these 'disenfranchised' populations are located in India and Sub-Saharan Africa, as well as developing countries where population growth exceeds the rate of electrification (OECD/IEA, 2012).

The positive social and economic impact of bringing access to remote communities, such as enabling the delivery of healthcare services or extending working and study hours, are universally acknowledged, and yet attempts to scale up interventions have so far demonstrated limited success. Many rural electrification projects attempted in the past had involved external donors who supply and install the equipment but provide no training or governance model to sustain the system by generating revenues. After a period of time, the majority of these systems fail and fall into disrepair due to the inability of the service provider to devise an economically and socially sustainable governance mode. Rural electrification initiatives face a number of questions, including: How can organizations generate sufficient revenues to sustain the system whilst remaining affordable despite low and seasonal incomes? Which ownership or governance model would ensure community engagement, whilst at the same time recover the capital cost of introducing the system? Finally, how could they optimise system design in different settings to meet heterogeneous and unpredictable local energy demands?

Traditional revenue models for electrification pursued by energy service companies operating in urban settings, had relied on tariff-setting that would directly meet the capital and running costs of the grid – often with a tenuous link to affordability. When tariffs had been too low, utility companies struggled to meet the capital and operating costs. If they were too high, then there was limited adoption and poor customer retention. Often consumers or communities would start paying for solar home systems and find that the tariff or deposit repayment scheme was not manageable. Financing techniques such as subsidies had therefore been used to develop pricing models and ensure that the customers could afford repayment. Local microcredit organizations also offered more flexible repayment mechanisms enabling communities to raise deposits and capital costs over a longer period of time to tide over irregular income sources. Coordination costs that affect pricing and revenue were often a function of the distance of rural communities from the grid, which would increase the cost of energy provision per kilowatt hour. Beside these costs, previous interventions had failed due to system maintenance by not providing end-users or intermediaries with the necessary skills and capabilities to keep them running.

A review of prevailing business models employed by rural electrification initiatives in developing countries suggests a continuum between transactional and relational approaches for encouraging service adoption. For instance, cash, credit, leasing and fee-for-service models – represent transactional approaches to overcoming problems of access and affordability, providing low-cost systems to individual consumers through innovative financing models. Secondly, relational models such as cooperatives aim to tackle broader governance problems such as maintenance through community adoption techniques (both are summarised in Table

13). These contrasting approaches reflect the prioritization of different stakeholder groups within firm governance, implications of which are further explored in the following sections.

Table 12. Summary of rural electrification business models

	Cash & Carry	*Microcredit*	*Leasing*	*Fee-for-Service*	*Cooperative*
Locus of transaction	Users buy an individual power supply system on a cash basis.	Credit provided to either the dealer (intermediary) or end-user as a lump sum or in instalments	Customers lease from the system owner through the payment of regular lease fees.	Concessionaries through the formation of Energy Supply Companies (ESCOs)	Community take a stake in the venture via end user contributions
Asset ownership	Customer assumes responsibility	Customer / Dealer responsibility	System-owner responsibility	Governments or private companies	Local businesses and households
Enabling conditions	Few stakeholders; Low customer monitoring and control of equipment requirements; End-user sense of ownership and a reason to maintain the system	Micro-credit lowers the initial barrier of high investment to individual households and/or intermediaries.	Loan-financing lowers barrier of capital cost	Financial and technical responsibilities lie within one organization, thus reducing the risks; Through regulations, ESCOs can achieve faster and wider coverage.	Widely applied in agricultural markets; Allows resource poor farmers to tap markets with high transaction costs. Community benefits from adoption and maintenance of the system through the receipt of dividends.
Access / coordination constraints	Low incomes prevent direct purchase of power systems; isolation from maintenance and lack of understanding of the technology	Success relies on presence of a funding agency as primary sponsor, and the terms and conditions of loan to enforce contract with end user/intermediary	Relies on presence of a funding agency that acts as primary sponsor; Customer does not own system	Customer does not own the system; limited incentive to maintain it. Communicating tariffs problematic	Not all members of the community can afford to pay entrance fees and share purchases to gain membership of the cooperative
Governance approach	←	Transactional		→	Relational

5.3 Findings

5.3.1 Prioritizing stakeholder preferences

Stakeholder theory typically contrasts “relational” approaches to stakeholder management with “transactional” approaches based on the price mechanism (a relationship where people calculate cost-benefit ratios and pursue their self-interest), with the former considered more likely to contribute to social welfare (Bridoux & Stoelhorst, 2016). However, it is possible to observe varying degrees of both in the governance approaches employed by E4D and

Meshpower. These differences reflected divergent emphasis on stakeholder preferences based on perceived institutional factors, and are shown to have important implications for how each firm allocated its tasks and resources, incentivised participants and coordinated information necessary for service delivery. In the case of E4D, community preferences were captured and adhered to by adopting a cooperative governance mode, including multiple stakeholders in their organization design. Conversely, Meshpower emphasized a market focus for winning customers, favouring shareholder over community preferences, thus reducing its exposure to the coordination of multiple stakeholders. Before exploring how stakeholder salience influenced their organization design, I explain the drivers behind these governance choices.

Both organizations entered the rural electrification market around the same time, which was relatively late in its development, particularly in developing countries where it had been a strategic focus of many non-governmental and (increasingly) social enterprise organizations since the early 2000s. Both teams expressed benefits from lower technology costs and improved system performance as a result of solar photovoltaic (PV) prices falling dramatically between 2009 and 2014 (IRENA, 2015). They also had the added benefit of nearly two decades of (largely unsuccessful) attempts by rural electrification initiatives seeking to open up 'base of the pyramid markets', from which they could learn in order to introduce an improved service, and innovate on existing transaction models.

It was expressed by all interviewees that decentralised rural electrification solutions had failed in the past for two main reasons: Problems of access (affordability) and problems of governance (which they interpreted as ownership and financing). These meant many current systems had fallen into disrepair or were not developed with sustainability in mind. In developing countries, project financing can be extremely problematic. To be attractive to private investors, a business would need to break-even within five years or else it would be unlikely to succeed in the long-run. Profitability and rate of return for the investor limited private sector interest in rural electrification projects. Both organizations pursued a solar micro-grid technology, involving a scalable solar panel system in the central trading zone of the villages they served. These could be connected directly to households, businesses and public amenities (see Appendix 4). As expressed in interviews, the focus for both was consistently on 'proving the business model' by delivering the service at an affordable price point and ensure responsible use of the service by the households and communities they served.

On the one hand, as a (for-profit) social enterprise, Meshpower believed it had developed a low-cost system that could be both affordable and break-even within the required time period provided they could reach a critical mass of customers in each village – hence a focus on reducing prices to achieve scale and maximize return on investment. It was also assumed social welfare benefits would automatically accrue to end-users. On the other hand, E4D had developed a larger, more expensive system, which could service five times as many households but due to additional maintenance costs, it required a community ownership model to cover ongoing operation and management costs. Hence it was necessary for them to seek donor financing from development organizations and local government to bring tariffs down. The Kenyan government had established the Rural Electrification Authority in 2006 to accelerate the pace of micro-grid rollout. While there were opportunities resulting from the Ministry for Energy's mandate, the time-frame and levels of such investments varied according to short-term government priorities, creating a high degree of uncertainty in terms of institutional support. In parts of Africa, high inflation had also thrown projects off track as costs increase unexpectedly, destroying profit. For instance, inflation in Kenya had reached highs of 25% in times of political unrest, such as during 2007-08 political elections.

The communities in which both organizations were operating, suffered from limited transport access, low population density and low incomes, rendering many low-cost products such as rechargeable lighting systems unable to achieve economically viable scale. The consumption of energy also remained low due to limited access to facilities such as televisions, computers and refrigerators. This expected result was a lower rate of return of the service compared to the high investment in capital costs, owing to consumers needing and using less because they could not afford to do otherwise. Both organizations understood that a lack of energy provision would depress consumption behaviours. In rural areas, income levels in agricultural communities were also highly variable depending on the season (high or low), which made pricing and microfinance necessary for both businesses. Interviews with engineers revealed that many households were not accustomed to receiving energy bills or in some cases even paying for electricity, presenting further challenges to changing and influencing consumer adoption behaviours. In addition, common misconceptions around the price of a kilowatt hour and the price differentials compared with 'grid' prices presented further distrust and astonishment amongst villagers, as expressed by one of the E4D engineers:

> "The barrier is probably issues such that people cannot understand why the price for electricity is not the same as what Kenya Power would charge the price per kilowatt

> hour. So that is the kind of challenge we get. We have continued discussions about "You are too expensive […] the grid is a third of your price, why is it so expensive". But you are not comparing like with like, because the nearest village with utility grid power is forty minutes away and it is down about forty per cent of the time".

He went on to explain the difficulties around "the willingness to pay, not the ability to pay, because you are trying to break the cycle where people have grown up with the concept of donations and subsidies". Government subsidies and interventions in electricity markets distort concepts of value and willingness to pay even amongst remote village communities, suggesting a relational approach, nurturing compassion, honesty and integrity for joint value creation was needed over a transactional approach, emphasising self-interest and financial incentives.

Supporting this view was the fact both enterprises were competing with existing energy sources and other engrained behaviours in informal economies. Only 5% of Africa has reliable access to electricity (World Bank, 2014). Most homes rely on costly and potentially dangerous sources of energy such as open fires, oil, gas and kerosene, as they have done for centuries. Access to electricity would provide a higher quality of life both economically and socially and yet it remained extremely difficult to change consumer behaviours, despite making economic sense, as one Meshpower technician described: Although the service represented a cheaper alternative to candles and kerosene: "even with our lower tariffs even with the one dollar, two dollar tariffs we can't convert people […] they don't see the value in it". He went on to describe a case in a village near Bihar, in India where Meshpower had provided lighting, where households were using the lights for their front porch as a status symbol, after which he went on: "when he walked through the corridor, in the dark with a kerosene lantern there were three kids studying for their exams, so it is not always what you think they will be using it for […] They use it to light up the veranda for their social gatherings. It is a luxury product not a utility, and their priorities are very different to what you think they are".

Infrastructure systems are often characterised as socio-technical systems that induce technical change through a social learning process influenced by technical and non-technical factors (Ulsrud, Winther, Palit, Rohracher, & Sandgren, 2011). For instance, the social embeddedness of technologies - understood as social practices, competences, meanings and institutional values - within household and communities can play a role in sustainability (Yadoo & Cruickshank, 2010). Hence in order to drive consumers away from non-renewables, E4D emphasised the importance of securing 'buy-in' from the community as well as offering a value proposition for solar which was clearly *understood* to be cheaper than existing energy sources or at least greater value to the community at large. This was made particularly difficult when attempting to translate usage tariffs on a per kilowatt hour basis, which can be confusing in any context, even more so in an unknown language with different cultural and symbolic references. As a result of the coordination costs present in highly fragmented communities, E4D considered stakeholder engagement to be vital to ensuring appropriate solutions were developed and financed by investors and the community. Their vision was that when service delivery is coupled with community participation, the benefits are realised more effectively through a sense of ownership and pride. Conversely in the experience of Meshpower, when exploring community ownership models, lack of proper leadership at the community level could make local engagement difficult and also present significant agency risks. Self-seeking behaviour by local agents also presented a clear and present problem, identified by numerous NGOs unwilling to operate in informal markets. These concerns influenced Meshpower's choice of governance and transactional approach.

Despite responding to these sociocultural challenges in different ways, E4D and Meshpower understood that an element of co-creation would be required if they were to bridge access in remote villages and overcome the coordination challenges of managing distributed systems in heterogeneous community settings. Winning over customers (in Meshpower's case) and involving entire communities (in E4D's case) as part of their service delivery, required both social enterprises to overcome human capital constraints by embedding a clear understanding of the technology and local capabilities in terms of managing electricity systems in end-user contexts. These elements made up key components of their organization design and influenced partnership and organizational boundary choices.

5.3.2 Relational governance model: E4D's approach

Energy for Development (E4D) is a multi-institutional research programme funded by the UK's Research Councils' Energy Programme, and the UK Department for International Development (DFID). As a joint partnership between the University of Southampton and Imperial College Business School, working together with the Kenya Ministry of Energy, the project was entitled "The Replication of Rural Decentralized Off-grid Electricity Generation through Technology and Business Innovation".

To solve the problem of building socially and economically sustainable solutions to rural electrification, it was decided early on to set up a cooperative society which would act as an energy service company (ESCO) for the project. This was based on a thorough analysis of existing business models and a mutually-agreed hypothesis amongst E4D team members that community ownership would ensure long-term sustainability of the system, as the Lead Engineer of the project described:

> "The main reason behind the co-operative was that you are creating local ownership and a sense of pride in the system, which should reduce risk of theft or damage and help instil local knowledge of the system and how it works. If you can promote pride and ownership that should really help with keeping the system running. In these sorts of communities, if it is just a big piece of kit sitting in a corner owned by someone else, then the reality is, it will flounder".

Stakeholder salience: Prioritizing community preferences

The first step for E4D was to identify sub-locations in Kenya where there would be demand for electricity. The sub-location of Kitonyoni was too remote for grid power, and despite lacking a central trading zone, it contained a health clinic and a school, providing an ideal location for the E4D micro-grid solution to be embedded within a rural-market community. Soon after identifying the village, the team worked closely with members of the community in Kitonyoni to determine their needs, goals and aspirations with regards to electrification and business. A comprehensive survey was carried out amongst local businesses and households in order to understand the community's energy needs, behaviours and their willingness to pay. The results of this study were intended to inform the system design, pricing strategy and tariff structure adopted by E4D as part of their chosen business model.

Initial "baseline" surveys recorded 35 businesses and 479 households who could potentially subscribe to electricity services in Kitonyoni. The plant was designed to provide enough capacity to meet both current and projected demand over the system's lifetime (20 years). In order to drive this demand however, E4D would have to encourage consumers to move away from traditional sources of energy and onto the micro-grid system. Energy consumption amongst households involved the burning of firewood for cooking and the use of refillable paraffin lamps for lighting. The highest demand for electricity amongst households was for the purpose of lighting and mobile phone charging. The main business activities included: Posho mills, electronics businesses, mobile phone charging, pharmacy, shops (*duka),* tuck shops (*kiosks*), groceries, a hotel, bicycle repairs, butchers and carpenters. Businesses located within the main trading centre benefitted from a direct line from the PV plant, enabling the use of electrical lighting and longer opening hours, as well as power for equipment and mobile phone charging in order to stimulate business activities around charging services. It was decided the businesses would pay a tariff or fee based on their electricity consumption.

For the households, a dispensary would distribute lanterns with lighting and mobile phone charging capabilities. The lanterns comprised a battery unit which can be recharged by some of the businesses in the trading centre and by the business enterprise established to operate the grid. This low-cost solution at a product-level matched the needs, requirements and ability to pay, although it introduced potential for moral hazard with the loss, misuse and potential theft of lanterns. As part of their social mission to provide energy to the community, E4D wanted to connect public amenities in the main trading zone, which would be subsidized by the tariff paid by the rest of the community. These included the health centre being able to benefit from electrical lighting, refrigeration and sterilisation as well as the school which was provided with electrical lighting and the ability to use electronic equipment such as a computer.

Together, the E4D engineers, local contractors and villagers assembled the solar plant and the micro-grid within one week, appropriately designed to meet local energy demands. An economically sustainable approach for governance was identified, whereby the community contributed to the project and was responsible for the operation and maintenance of the plant. Specifically, E4D explained the concept to the community through a series of workshops (Appendix 5), whilst local representatives were selected and trained to take on the responsibility for running various aspects of the PV plant. Income could be generated through membership fees, local sales of electricity on a tariff basis and share ownership. They covered all the running costs of the project, provided a source of financing to the community and contributed to the recovery of the capital cost of the project.

Up to 3000 local people could benefit from electrical energy provided by the project. The school, health centre, churches and the 40 businesses were provided with round-the-clock stable electricity, allowing them to extend their working hours and provide additional services such as information technology training, tailoring, hairdressing as well as charging facilities which reflected the energy needs of local households. Additionally, Kitonyoni had no water supply and villagers had to transport water from a river bed over 2 kilometres away, therefore the solar canopy of the PV system was designed to act as a rain collector, enabling water storage and sale by the cooperative to the community throughout the year. Similar innovations were identified by the community such as establishing a hatchery under the canopy of the PV module

- a high value product, which enabled diversifying into other markets to share overhead costs, thus allowing the community to pay for security of the system.

Coordinating community involvement: Developing capacity

There were three key aspects to coordinating community involvement in the cooperative. These included payment collection (as well as setting the tariff structure), maintaining the grid system and managing the business entity. The key to ensuring these activities were carried out effectively, relied on coordination mechanisms such as roles, responsibilities, effective communication with the team in London, and most importantly capability development and training amongst the managers and technicians responsible for sustaining the cooperative.

Developing human capital within the community was essential to ensuring the sustainability of the service, especially due to the community ownership model. It was decided the society would comprise of management, technical and auditing committees and would be managed by residents of Kitonyoni. The E4D team provided capability development and training in the basic technical aspects of running the PV plant, such as how to maximise its potential, bookkeeping in order that the accounts are accurate, how to manage customer relations and administer surveys (needs assessments), how to advertise the product to the local population and teach them how to use it, and finally the concept of the business model and how it could be sustainable. The employees of the co-operative comprised two women elected to run the energy company and collect the money, whereas electricians when needed were paid sub-contractors hired by the cooperative. A key part of running the cooperative was book-keeping, which required training: “The manager is responsible for bookkeeping she recently has been signed up for a new training course in accountancy. The co-operative committee made that decision so she does all the auditing”. Early on, the payment mechanism within the community had been causing problems, which was not due to their ability to pay but the way payment was structured and collected, as the lead engineer described:

> “The lady who runs the energy company, the committee energy company, had to go weekly to collect money from businesses. Businesses always told her they had no money and they couldn’t pay and so on. Being a lady in that society that is a difficult issue, because it is a very male dominated society, so we switched to installing pre-payment meters in all businesses where they have a smart card that they recharge in the community office and that buys so many credits of electricity and that now has completely sorted the issue out”.

This positive feedback to the E4D team helped to improve coordination of the service and resolve problems that would otherwise have undermined the business model. For instance, similar forms of resistance would take place at the point at which the bill would be collected, suggesting community resistance was not a strategic move to 'lobby the committee' but only individual disputes, which was different to the experiences of Meshpower in India for instance, where community agency often led to widespread moral hazard (bribery, theft and boycotting of the service). However for E4D, the cost of coordinating the service across its constituent members was high, exacerbated by the necessary structures put in place to sustain the cooperative. As part of the cooperative by-laws, it was necessary to appoint a 'cooperative officer' who could provide ongoing support on the ground to the villages, as well as provide monitoring on behalf of credit agencies and the Kenyan Government. Within the community, there was also the cooperative management, responsible for running the enterprise and the management of the actual solar plant, which was more technical and therefore provided separate training when the E4D engineers would conduct site visits. In terms of communication with the E4D team in Southampton, the lead engineer explained that after several years of significant travelling back and forth to the site, it had finally reached a point where "in the day to day running we have nothing to do with the system at all". In those instances where they wanted to carry out additional tests or data collection, written communications were preferred over phone calls due to difficulties in understanding English. If there were technical problems that could be fixed remotely, E4D would still get involved, yet it was much easier to send a list of "instructions" via text message. As one analyst described:

> "I have to say it works really well and the manager is on Skype almost daily so if I ever need data from the pipe room or if they tell me about the name of a business owner that was useful for a report I am doing she can do that really quickly […] most of the time they are helping me with data collection rather than the other way round so they are quite self-sufficient.

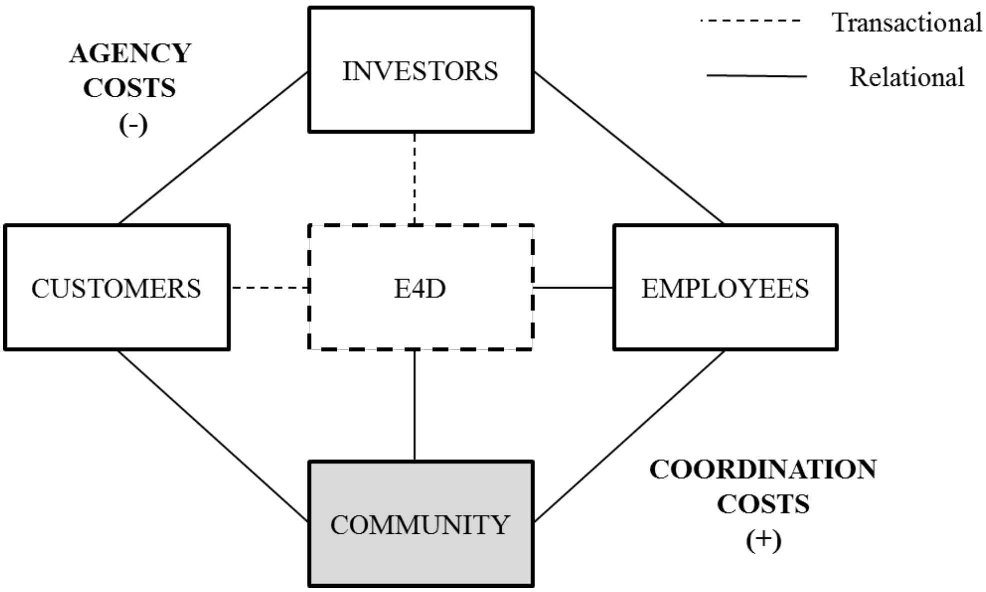
After several years, the E4D team described that despite intensive workshops when they were establishing the cooperative, coordination of the service had moved from the HQ in London to the cooperative management becoming more and more self-sufficient in the actual running of the business. However, the frequent meetings had compounded bureaucracy within the ESCO:

> "It is getting less and less [the time E4D spends in Kitonyoni]. When we installed it our Research Associate was there and she gave the cooperative and the committee a lot of training on cooperative management and what was expected from them in terms of meetings […] the beauty of these systems is that they take care of themselves and we rarely have down time…

There were aspects that the E4D team continued to be consulted on despite their desire to remain at arm's length, for instance, on one of his visits an engineer he had been asked by the manager for a pay increase. However he declined to provide guidance as all members of the E4D team had developed the view that: "you really want them to sort out issues on the committee themselves […] I mean the project is in their hands now. They have to make their own decisions". Frequent remarks on pay meant coordinating incentives could be problematic, especially considering its primary focus as a social enterprise. This however, was compensated by what E4D team members often described as the "strong community feel" within Kenya: "People know each other. The want the community to do their bit to stick to and help their community" as it was deemed that the employees of the cooperative would see it was making money and therefore working, but they could also see the benefit to the village and the village: "This is a transformative event for the village. So, they can see the benefit. Particularly, those who run businesses they are making money. Their incentive is to keep going because this is the way their income stream works".

Figure 10 illustrates the holistic organization design employed by E4D, which stemmed from the salience of community preferences. In this relational model, customers, employees and the community at large were connected via a network of familiarity and trust. Investors and customers are one and the same, whilst community benefit – and to a large extent social welfare – is derived from a combination of lowering transaction costs to ensure a tariff and entry fees that could encourage participation, and a relational element tailored to providing support and training to employees and decision-makers involved in governance of the cooperative. With this structure, community agency is mitigated by ensuring mutual 'buy-in' from multiple stakeholders, although the coordination of multiple parties creates coordination costs borne both by the E4D team and governing members of the cooperative. These elected directors were responsible for capturing diverse community preferences within their decision-making processes, ensuring communication amongst organizational participants as well as providing training to employees when coordinating service delivery in the village context.

Figure 10: Relational model based on community-orientation



Monitoring community involvement: Mitigating moral hazard

Establishing good governance of the project was necessary to ensure the micro-grid would be maintained, and that there would be clarity of asset ownership and community engagement. All three elements were discussed extensively with the residents of Kitonyoni and clear guidelines were set out on how the Energy Service Company (ESCO) would be run. As stated in the bylaws, the Co-operative Society would undertake:

> "To benefit its members by providing electricity sold to them at fair and reasonable rates
>
> To ensure personal growth through the introduction of new products and services that will promote the economic base of the members;
>
> To ensure progress of members and society through education programs on proper use of electricity, reduction of poverty, human dignity and co-operation;
>
> To apply the co-operative principle of co-operation among cooperatives in order to promote members' interests. In furtherance to the objects of the Co-operative Society shall affiliate to the relevant National Cooperative Union and the Apex society."

There were two committees formed for the Co-operative Society. The first one was a management committee which comprised 9 members. Every year there would be elections where one-third of the members step down and new members were elected to ensure continuity. The elections were presided over by the District Co-operative Officer. The District Office do not form part of the committee but sit as *ex officio* in an advisory capacity. The second committee was a supervisory committee which comprised three members. All the committee members needed to be above 18 years old and to come from the community. In practice, the Co-operative members selected the committee members, which were described as normally people that are “quite high up within the community, not necessarily based on their skills but their standing”. This tended to be the case more generally as to engage at the community level, it was explained how E4D was required “to talk to the area chief, who will introduce you to the sub area chief and who will introduce you into the community. It kind of works like that it is a high level hierarchy, which you, normally, have to follow”. This highly stratified organizational structure led to complex decision-making processes that while maintaining the interests of the community, often slowed down commercial decisions on expanding the grid, as well as making ‘uncommercial’ decisions on the tariff or pricing structure, which were continually reduced to match preferences expressed by the community.

To counteract de facto subsidies, individuals who wished to join the Co-operative Society were expected to contribute membership fees put aside in a bank account. The nominal membership fee was payable on joining the society. The members of the Co-operative Society also paid share capital. The members could therefore receive dividends depending on the amount they contributed for the share capital and also the expenses incurred in the year. The share capital was invested in Kenya Co-operative Bank. In the instance of the Co-operative Society closing down, members would get the original share capital or equivalent stake in assets if the share capital had been re-invested. Additional advantages of becoming a member of the Co-operative Society were that the members pay special rates on energy related products and services. So that non-members would pay 20% extra on charging and lanterns if they wanted to participate. This sense of community ownership noticeably reduced risks of moral hazard, as over the lifetime of the project, E4D assets were respected and maintained.

With regards to the asset ownership, the plot on which the micro-grid had been constructed belonged to the community, whilst the storage building and office construction was funded by E4D. The micro-grid comprising of solar panels and battery cells would also be owned by the Energy for Development project but all membership fees and share capital funds were retained by the Co-operative Society. In order to ensure transparency, the annual accounts were audited by an independent auditor, selected from a list of approved auditors registered with the Ministry of Co-operative Societies. The cost of auditing was borne by the Kitonyoni Co-operative. In order to improve monitoring and evaluation by the E4D team, discussions were also taking place with Safaricom mobile phone Network Company to see if the households and businesses could make payments using mobile payment service, M-Pesa. Without this functionality, it was still possible to maintain monitoring from the UK however, as the data analyst described:

> "I can see how they are doing because I have an accounts of how much electricity they are using, which I can match up with how much people are paying for it. She [the manager] keeps an online spreadsheet I have access for data collection purposes and because she does a report to the other committee members so they can see what is going on as well"

To further mitigate moral hazard amongst the members, a deposit was also charged on the rechargeable lighting systems and batteries in order to ensure a sense of ownership amongst the households. However, due to the range of incomes across households, the amount required was unmanageable for many of the villagers, and hence a leasing provision was introduced based on a deposit, which provided 50% risk coverage of the lanterns in case of damage or loss. The cooperative decided on two options for repayment of the deposit, which provided flexibility based on heterogeneous household incomes and positions.

5.3.3 Transactional governance model: Meshpower's approach

> "Our goal is being able to raise finance and provide an unsubsidized service to our customers in order pay back any debt and make enough profit to keep investors happy… to be able to reach that goal, we have a viable system but it's only worth doing if you can get *millions* of subscribers in a few years".
>
> (Statement by the CEO of Meshpower)

Research on the latest approaches to rural electrification emphasises the importance of user-centric perspectives in organization design and effective pricing for widespread adoption (Schillebeeckx, Parikh, Bansal, & George, 2012). Similarly, choice experiments with investment managers for renewable energy suggest a preference for organization design focussed on "customer intimacy", where service was emphasised over technology or price (Loock, 2012). Despite these trends towards relational governance based on co-creation with stakeholders, the approach employed by Meshpower stood in stark contrast to the community-centric approach observed in competing social enterprises such as "Lighting a Billion Lives", which combined financing means that ensured affordability with institutional partnership and technology management to build an 'ecosystem' for customers that went far beyond technical design and physical access (Chaurey, Krithika, Palit, Rakesh, & Sovacool, 2012). In contrast, the CEO of Meshpower described the vision for his company:

> "It is currently funded mainly by our investor who is also our co-founder. His idea, his vision is really to have impact with what we are doing; to scale the technology to lots of people because in the market we are operating in, the most important thing is to have scale. First, with electricity and later on with actually, internet provision, once electricity is established. So, that is where he is coming from and this is really what is driving all of us, that idea for the company".

Stakeholder salience: Prioritizing shareholder preferences

With operations in India and Rwanda, Meshpower's model stems from its objective of making the product affordable to end consumers, where the target market for the service is consumers, families, businesses and other institutions operating in local markets. As part of achieving these economic goals, there was a recognition that a market focus required a degree of customer co-creation. These markets underpinned the way in which the service was designed and delivered as the CEO described it: "we are really trying to achieve this end consumer relationship, we try to drive the model for it". But superseding this goal, was a technological vision in terms of driving cost down and increasing widespread adoption through a price mechanism, as he went on to explain:

> "In our company we have this belief, that the cost reduction is, in a way, driven, by technology improvements, just the choice of technology the choice of topology that we are using. Using a microgrid is in a way helping us to ensure low costs per consumer. Now, what we want test out different installation and operational methods to drive down the operational costs and the industry installation costs for consumers"

Still in the early stages of operations, Meshpower was continuing various experiments intended to improve consumer adoption, which during the first two years of operation had remained surprisingly low. The business plan was perceived to have been 'disproven' in December 2014 – two years after establishing the businesses – due to the realization that Meshpower's assumptions on the number of connections could not be reached. As the CEO described: "We assumed we could connect up to 50 customers but, really at the moment the average is 20 customers per village and we really need the mass of people to make it worthwhile". The problem had been that within a radius of 20 metres they could not find the critical mass of consumers willing to pay, and despite being enough households, many of them had very low incomes.

The experimental approach to entering remote villages was driven by the desire to build-up their customer base but also related to the ease with which Meshpower could roll-out their micro-grid system, which was more portable. Rather than administering surveys to capture preferences, Meshpower would set up and 'test the waters'. Sometimes, if they couldn't get enough customers they would simply pack up the system and move on to the next village hunting for price equilibrium in communities with varying income levels. The transactional approach was maintained even when facing community activism. For instance, the CTO described the first experience he had in India when Meshpower had connected several customers in a small village with the help of a local partner agreeing with the village leader. However, as he described "these leaders had arranged a village meeting, where one person had said 'the government is giving us this for 200 rupees so we want unlimited service for 200 rupees for a month' but one person, then becomes two people, then, four people, and eventually the entire village'. This suggested that even though the village leader is instrumental in connecting the village to the system, community activism and relational stakeholder approaches actually hurt the business model, as was concluded:

> "We only need those individual customer connections we don't really care if the village as a whole signs up, we just need 50 customers within the village and all these individual services are independent of one another so just because customer X doesn't pay it doesn't mean Y loses his service"

Having recognised this inability to pay amongst the base of the pyramid customers in both contexts, the CEO described how they adjusted the product offering to target high end consumers: "For the high earning households we started to introduce value-added appliances so, the TVs were one option, we wanted to introduce a fridge which people are interested in, and are willing to pay a lot for it: 20 dollars or even more than that per month for the usage". With a handful of customers in the village driving up revenue at a site level, it was perceived, this would make the system sustainable and potentially allow them to access base of the pyramid consumers with a similar idea of selling very low-cost appliances.

By measuring usage data, Meshpower was also able to track and tailor their offering and organization to consumer preferences. By measuring the usage, it was possible to see how often, when and how long customers would be using their light or for how long they might be using their mobile phone charges. So from that they could see from the usage behaviour, the CEO described "it was possible to gain a clear picture on an individual customer basis to understand the customer needs, what are the villagers paying for, for example we can see these customers need three hours bright light every night to attract their customers they don't care too much about what we are charging because they make more money”. Therefore customer or market preferences also ranked high in Meshpower’s agenda.

Coordinating customer access: Direct-to-consumer model

As an organization operating grid systems across countries such as India and Rwanda, there was initially a large extent of micro-management from Meshpower’s UK headquarters and comparatively little emphasis on training and capability development in the localities themselves. This was part of an attempt at streamlining the technology into a ‘black box’ that would require very little skill or effort to understand, as they described in 2014, “it is still learn as you go – a local technician who is employed by Meshpower saw how we did certain things with the installation and then he replicates the process and now he is at the point where he can keep up maintenance”. At an operational or management level however, this had important implications for Meshpower, which could pose significant costs to coordinating service delivery. This was recognised as their main barrier to scale, as the CEO described the evolution:

> “Initially everything was coordinated from London and then on the ground we started off with one technician who was on call so we called him up and then he called back to London to say “there is a problem” it wasn’t us because in London we were focusing on other things. So then we started opening this local office in Rwanda and in that local office we had a local employee that was supposed to look after things, but certainly we didn’t put enough effort in it to train these people up or in choosing the right people so we had this local manager who was not very effective, and we decided to go a step further and actually have one of our UK staff in Rwanda more or less full-time”.

Initially seeking to build strong customer relationships directly via employees on the ground, this approach entailed significant challenges of finding reliable and effective managers who could coordinate operations whilst being directed from the UK. This was exacerbated further within communities when seeking managers for the base stations in each location and a local manager who could take care of hiring engineers for future roll-outs and maintenance work. By contrast, in India, Meshpower operated from a central location through local partners who were in charge of the micro-grids whilst running operations from the central office. This was also helped by the fact that in India, grid systems were located close together. Having operated directly within Rwanda, Meshpower had been working towards moving all their operations to a local operator model, which was considered in 2014 something that that “needed to start”. While this introduced a new concern around potential agency cost, a local partnership model offset the high and constraining coordination costs of managing operations directly. These coordination challenges persisted further down into the villages and sub-locations as they attempted to foster co-creation with early adopters, especially in finding custodians for the base station (where technology was kept and the PV grid was deployed). In this case, Meshpower had to rely on a local inhabitant, willing to look after the equipment and act as a base station in return for a free service:

> "Both in India and in Rwanda we are giving free service to the person that is holding the bay station and the person holding the bay station has this computer case in their house somewhere, they have two to four batteries attached to it and they will have solar panels on their roof and then they would be like a primary contact in case we need to ask "can you quickly check the lights, can you do this and this" so there is some form of contact"

This aspect of bringing consumers into the organization design was less strategic and more a matter of convenience and even necessity at first. Rather than employing or working with local influencers as custodians who could follow up on customer queries or technical problems, these customers were simply there to help protect the equipment. Instead, in Rwanda, Meshpower had previously worked with voucher sellers in each of the villages, attempting to find one, competent, trustworthy individual who could be given voucher booklet to sell credit to local villagers in return for 10% commission. To ensure maintenance of grids from London, coordinating information had been essential and every day or second day, their electrician would call the London HQ to ask for instance: "I am on this site, how is this working, this is a new customer they would like to be connected what are we going to do about it?" This ad hoc manner of coordination between the UK and technicians or sales agents in the villages created serious problems for signing up customers, as the CEO described:

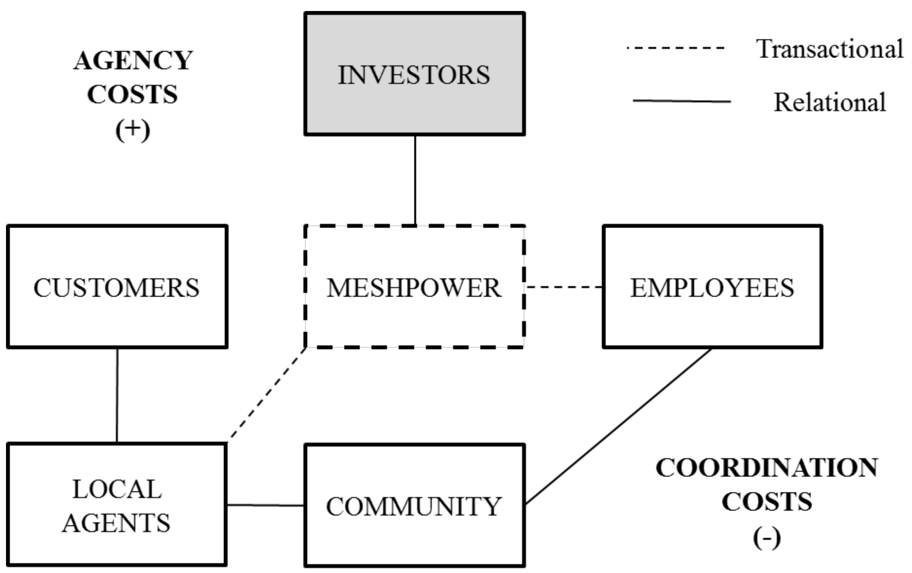
> "This is a problem of information because these voucher sellers they don't have easy access to customers in their region or in their village, so if we needed to send a daily text message to say "watch out for these three customers, they run out of credit tomorrow, chase them up in order to get your 20% commission once they top up their sales", it is impossible.

By the end of 2015, Meshpower had decided to move almost entirely to a local agent model in Rwanda. Within three months, they had scaled the number of subscribers from 180 to over 2,000 customers in the region. This local agent model involved partnering with a local small business or entrepreneurs, similar to a franchising model, where the brand and equipment would be supplied as part of a revenue sharing agreement. When explaining the success of the local agent model, in an interview, the team put it down to issues of trust. For instance, the CTO described how villagers in Rwanda had suggested that Meshpower works more with village people and not hire city people "because the city guys they go to the village but are held in contempt you know "you are trying to sell me this super expensive thing but why should I trust you". This lack of local understanding, or even what the city technician or salesperson is saying as part of their sign-up process had also made it difficult for the Meshpower team to understand the situation, and often cause frustration in "not knowing what they are saying".

> "The big problem for me is I don't know how [the salesperson] pitches because none of us at senior management level understand what is said on the ground. I tried this in India where I learned a bit of Hindi. It didn't work out too well but I tried sitting next to these guys to badger them for questions, because they talk for ten minutes but you get a thirty seconds summary saying "he is not interested", whereas the interesting data is: what did you tell him, how did you sell it to him, why is he not interested? I think the problem is they don't have the curiosity to find out more"

Before going in to detail, Figure 11 provides an illustration of how problems of coordinating service delivery via a direct-to-consumer model were mitigated when adopting a local agent model. Challenges of navigating community preferences and potential activism were avoided by transacting with local agents who could bear the social coordination cost of negotiating service delivery to consumers, possessed the language and knowledge of custom practices. As more influential and trusted agents within the community, these entrepreneurs and business owners built the necessary relationships with customers and rural elite to enable adoption. Theoretically, the inclusion of third party resellers as intermediaries might introduce potential agency costs between Meshpower and the local agent. However, it outweighed potential for community agency amongst local villagers, which could be absorbed by local partners.

Figure 11: Transactional model based on local agents



Overcoming community agency by adopting a local agent model

Considering the immense coordination challenges of operating a direct ownership model in Rwanda, the local agent model seemed a more effective approach, as the CEO had discovered a year previously: "I believe it is necessary actually in order for us to get an organic growth around these base stations that we have local operators, local agents or entrepreneurs that take care of the customer management and eventually upsell customers, connecting more". Subsequently, a system had been put in place, where Meshpower adopted a local agent model based on commission.

Up until that point, Meshpower had largely been relying on a perceived network effect of signing up additional customers, as well as carrying out ad hoc sales, maintenance, security and storage activities. In terms of monitoring the actual systems, each connection to the micro-grid could be controlled remotely from London, meaning it could be turned off or on. This technical capability also gave the company unique insights at the customer interface when analysing usage patterns and behaviours:

> "We haven't started to analyse the data yet to see how well they use the system and their payment history, but the obvious next step will be to identify the best customers and upsell to them and disconnect the worst customer as we lose money on them by giving them calls every day and servicing connections that they never pay for".

Similarly in terms of enforcing contracts with customers, Meshpower had previously been reluctant to disconnect customers that didn't pay, but they agreed "something we need to do is, actually, enforce a bit more terms and conditions". By setting themselves up on a leasing arrangement similar to the ESCO governance structure adopted by Energy for Development, they maintained ownership of the equipment, therefore if it was destroyed they could take a deposit (a one month usage charge). But although all customers signed a contract stipulating this, it was rarely followed up on.

At a government level, Meshpower expressed concerns of interacting with politicians over fears of corruption and recounted several instances where this was the case. Also at a local level, in India the influence of the local political elite or "panchayat" meant that a local leader would have to introduce the new product to the village and be willing to agree to on behalf of the whole community. The decision to retreat from India was partly because of this problem of community agency, as the CTO explained:

> "We want to interact on an individual customer level, while in India we took a trial first and even though we wanted it to it couldn't work. We have been trying to do that in India and people say it doesn't work because of the panchayat"

Operating at the community level, specifically within India, often led to problems of social activism and even blackmail by the community. Attending conferences in which similar social enterprises participated, I encountered similar stories where communities rallied against social enterprises offering rural electrification services. These were frequently led by senior members of the community or by political elite, seeking favourable treatment in return for endorsement, or even simply by customers refusing to pay. Another Meshpower employee described one instance where:

> "Eventually, we had to remove the system from Pukaria [India]. We had a lot of struggles converting people to use our service, because they used to complain the price was too high, comparing it to the Bihar electricity service which was 200 rupees per month and unlimited usage. Of course, they also steal from the grid, as they are not used to paying for energy. They would say "why do I want to pay, I can steal it from you or someone else. We were forced to leave due frequent instances like this".

Having experienced community agency in parts of India, Meshpower eventually decided to avoid community engagement altogether, choosing to focus instead on local agents, who were trusted within the community but had an economic incentive to enrol a critical mass of customers. Although this governance mechanism introduced a new kind of agency, its adoption was followed by an unprecedented period of growth, during which Meshpower considerably scaled up its operations in Rwanda. Coordination costs were reduced due to the reliance on local agents, who were provided sales and technical training from existing Meshpower employees, after which they were capable of deploying and maintaining multiple systems supplied by the company in London.

Adopting these two contrasting approaches to hybrid organization design demonstrates the influence of stakeholder salience on core aspects of organization design. Whereas E4D put community interests at the heart of their governance structures, decision-making procedures and processes for coordinating local service delivery, Meshpower prioritized profit-maximisation goals eschewed by their investor and management team, focused on achieving scale by identifying an optimal price point and reducing delivery costs. An overarching theme of these design choices is the contrasting emphasis on relational stakeholder management based on community engagement and trust in the case of E4D, versus a transactional approach adopted by Meshpower, which was focussed on reducing coordination costs and actively avoiding direct engagement with communities by employing local agents. A summary of these approaches and their implications for hybrid organizing is presented in Table 14.

Table 13: Relational vs transactional approaches to hybrid organizing

ORGANIZING DIMENSION		E4D (RELATIONAL)	MESHPOWER (TRANSACTIONAL)
Coordination mechanisms	*Localization of service*	Service offering adapted to local needs and requirements	Standardized to improve efficiency and consistency
	Involvement of local actors	Mobilization of elites as legitimate representatives of local needs	Limited engagement / active avoidance of local elite
	Centralized versus decentralized structure	Aim to create self-reliant and independent system, but in reality a high day-to-day involvement with the site	Low coordination costs by engaging with intermediaries (local agents)
Monitoring and control	*Decision-making*	Local actors in control, community make decisions	Micro-management via offices in Kigali, Rwanda
	Communication	Regular communication with central unit for fixing technical faults	Initial communication with central unit to fix technical faults and manage daily tasks
	Hierarchy and enforcement	Stratified governance to empower users and community actors.	Hierarchical proximity and tight control over service provided by local actors
Incentive structures and property rights	*Ownership*	Community ownership increases pride in the system	Central ownership with assets owned by private company
	Incentives for employees	Property rights (for users) and financial and non-financial (capacity-building) incentives for employees	Financial incentive for users and flat rate or commission-based pay for employees and local agents.

5.4 Discussion and conclusion

An emergent literature on hybrid organiz*ing* presents social enterprises as new organizational forms that deviate from 'legitimate templates of organizing', and thus experience unique organizational challenges. (Battilana & Lee, 2014). Yet many of these 'new' organizational forms share design characteristics with longstanding ways of organiz*ing*. It is however, often difficult to distinguish novelty arising from context and that which relates to the nature of organizational activities carried out. Defined as the activities, structures, processes and meanings by which organizations combine multiple organizational forms to reconcile social and economic objectives, hybrid 'organizing' represents an important context for future research in the field of organization design (Tracey et al., 2011). By investigating the role of stakeholders – in particular how salient stakeholder preferences – influence the process of organizing in two comparable social enterprises, this paper considers the implications of governance choice on the prioritization of social or economic organizational goals. In addition, it attempts to identify complex trade-offs in different forms of hybrid organization design that impact the breadth and depth of social welfare creation.

Trade-offs in hybrid organization design: Coordination and agency

A plethora of research exploring agency costs in shareholder firms and corporate governance has demonstrated the effects of institutional ownership and its impact on internal governance. For instance, in linking how differences in goal alignment and attitudes to risk influence the actions taken within firms (Hoskisson, Hitt, Johnson, & Grossman, 2002). The impact of institutional context in making enforcement of agency contracts more problematic has also been a dominant theme linked with the convergence of institutions supported by capitalism (Fukuyama, 1989; Guillén, 2001). Studies on emerging economies have subsequently opened up new perspectives on majority versus minority stakeholders and the so-called ‘principal-principal’ problem. Drawing from institutional theory, it considers the nature of these conflicts, the institutional antecedents (such as prevalence in family-owned firms) and the organizational consequences on organizational routines, and the way in which it frames strategic choices (Young, Peng, Ahlstrom, Bruton, & Jiang, 2008). Similar patterns of the roles and dynamics of corporate governance in younger threshold firms undergoing transition from entrepreneurial to professional management look at how governance influences the characteristics, capabilities and path dependencies of founder managed firms that reach a limit in their capabilities for accessing resources required for growth (Gedajlovic, Lubatkin, & Schulze, 2004). Another adopts the knowledge based view to consider the effect of asymmetric knowledge between directors and managers and how learn by developing capabilities from each other (Zahra & Filatotchev, 2004).

Similarly, scholars of organizations, law and economics have investigated the importance of ownership on firm behaviour where decision-making authority and residual claims have been assigned to consumers, producers or cooperatives as alternatives to ‘investor-owned’ corporations and independent shareholders (Dimaggio, 2009, Schneiberg et al., 2008). Its effect on stakeholder relations and incentives have been shown to elicit new activities and new possibilities within firm activities, constituting new forms of organizing (Battilana & Lee, 2014). However, so far there has been few attempts to assess the trade-offs between alternative governance or ownership forms and how they can impact other aspects of hybrid organization design. By comparing two social enterprises and how they coordinate inclusive service delivery in remote communities, I identify linkages between problems of agency and coordinating services in BOP settings. Agency costs are present at a number of levels where weak institutions make traditional contractual and monitoring mechanisms difficult to employ (London & Hart, 2004). Prior studies suggest identity-based mechanisms can mitigate agency costs between international enterprises and informal economies, specifically by allowing sales intermediaries an ownership stake through the purchase and sale rather than consignment of particular products (Kistruck et al., 2012). Similarly, my comparative case demonstrates how social enterprises that adopt transactional approaches to market entry face problems of community agency as well as coordination costs involved in accessing remote villages, which can be mitigated by relying on local agents. This is contrasted with cooperative governance, which entails high coordination costs due to the number of stakeholders involved in service delivery and decision-making. However, in contrast to problems of agency within the community experienced by Meshpower, cooperative governance removes principle-agency problems based on mutual interest and relational organizing activities involved in joint value creation based on trust.

Just as relational approaches to stakeholder management are shown to lead to greater social value creation as opposed to transactional approaches, it is worthy of further study to investigate to what extent this organization design trade-off between coordination and agency costs have implications for the scale and scope of social value creation. Intuitively, cooperatives have greater depth of impact but are less scalable due to additional coordination costs involved in service delivery, whereas transactional models based on price relationships naturally suggest greater potential for scale.

Hybrids, stakeholders and salient preferences

Primary stakeholders are those that 'bear some form of risk as a result of having invested some form of capital, human or financial in a firm' (Clarkson, 1994; 5) The cause of the above trade-offs are associated in my context with salience given to specific stakeholder groups and the subsequent orientation of the enterprise towards meeting their needs or demands. For instance, the customer (in Meshpower's case) or the community (in the case of E4D). While it is commonly understood that the underlying characteristic of social entrepreneurship is to create social value rather than shareholder wealth (Austin, Stevenson, & Wei-Skillern, 2006), the supposedly 'equal' importance of both social and commercial objectives leaves a degree of interpretation to the entrepreneur and thus the organization in prioritising stakeholder preferences and organizational goals. I explore this choice in the context of the ongoing debate around relational versus transactional approaches, suggesting that both are legitimate choices for delivering inclusive innovation. A recent paper also goes beyond stakeholder theory's traditional dichotomy of either self-interest or stakeholder-orientated approaches, considering these choices as potentially equal contributors to contexts of joint value creation (Bridoux & Stoelhorst, 2014, 2016). While the relationship between stakeholder management and shareholder value has demonstrated higher economic returns for firms that identify with social causes (Hillman & Keim, 2001), it is not necessary to see the two as mutually exclusive. Relational exchange arrangements underpinned by trust have traditionally been treated as substitutes for complex contracts in inter-organisational exchanges deemed by some to even encourage opportunistic behaviour (Poppo & Zenger, 2002).

In recent years, trust (the expectation that an exchange partner will not behave opportunistically) and governance mechanisms such as contracts and ownership are increasingly considered as complements, although many consider this distinction unnecessary (Puranam & Vanneste, 2009). Indeed, there is a logic that suggests narrow self-interest, underlying agency theory is bounded by fairness and reciprocity (Bosse & Phillips, 2016), supporting a behavioural emphasis on issues of governance as opposed to economic/legal perspectives (Westphal & Zajac, 2013). This flourishing research stream is particularly relevant to studies on hybrid organization, guided by more holistic and compassionate goals of social welfare, whilst ensuring economic gains to remain sustainable. Treatments of governance as socially embedded structures, roles and responsibilities as well as the extent to which they are impacted by organizational context have also been turned on their heads to demonstrate how organizational founding and their subsequent governance arrangements leave institutional legacies of organizational forms. In a study of non-profit organizations operating in the Norwegian insurance industry, the authors demonstrate how governance choice imprinted a community with a general institutional legacy of collective civic action (Greve & Rao, 2012). In this chapter, the study of the E4D cooperative suggests how a culture of compassion can grow out of the delivery of potentially life-changing services that are governed collectively by the community.

Contributions to practice

Cooperatives are attracting greater interest from the private sector as a viable form of economic organization, defined as: "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise" (Wilson, Webster, & Vorberg-Rugh, 2013: 1-2). Historically, such organizational forms have flourished during periods of market failure or uncertainty, where social activists have responded with new forms of economic organization that better integrate social values into the tasks of production and exchange. The case of E4D proved cooperatives could represent a socially and economically sustainable solution in contexts marred by weak institutions, especially for delivering essential welfare services such as electricity. The overriding organization design challenge associated with cooperative governance is however, embedding the model in replication projects to achieve greater scale. While replication is being carried out in Kenya, Cameroon, Mozambique and other parts of Africa, the comparative case study illustrated the fact that a transactional approach focused on breadth over depth of social impact by engaging local agents and reducing frictions or costs associated with relational governance modes had greater potential to scale.

Conclusion

By combining stakeholder theory with perspectives from organization design, this paper has used a comparative case study of two social enterprises to demonstrate how the prioritization of stakeholder preferences influences internal governance arrangements. It supports a growing narrative that emphasises the behavioural elements of corporate governance such that salient preferences can create more complex trade-offs in terms of organization design than previously understood, specifically between coordination and agency costs associated with alternate governance choices. I call for further comparative research studies across a variety of hybrid organizational forms to identify additional trade-offs and their implications for social value creation.

Appendix 3. E4D and Meshpower sample interview protocol

Background on company and service offering

- When was the company established, and by whom?
- Who are the key investors/stakeholders and what are their objectives? How (often) do you report to your investor(s)?
- What role do they play in forming strategy and on hands on operation of the business?
- Which areas do you currently operate? Who do you consider to be your target market?
- Can you explain the service you provide? How is it different from existing energy alternatives?
- What are your core objectives? Do you sense any tension between economic and social goals of the organization?

Base of the pyramid adoption barriers

So far, what have been the key barriers to service adoption at the base of the pyramid?

- Price / Accessibility (mobilising resources to overcome affordability and in terms of infrastructure or communicating the service/technology)
- Informational impact on individual preferences (differences and difficulty to segment customers)
- Weakness of the institutional environment
- Organizational / operational challenges of mobilising resources (at low cost)

Exploring each of these in turn:

- How do you bridge access by engaging intermediaries whilst lowering operational costs.
- How do you communicate the service offering (value proposition) and convert non-users to users? (Informational challenges).
- To what extent does the local institutional environment (local, state or national government) impact your service operations and how do you overcome these challenges?
- Do you mobilise resources in a low-cost way (product design, bricolage, improvisation) to make the service more affordable?

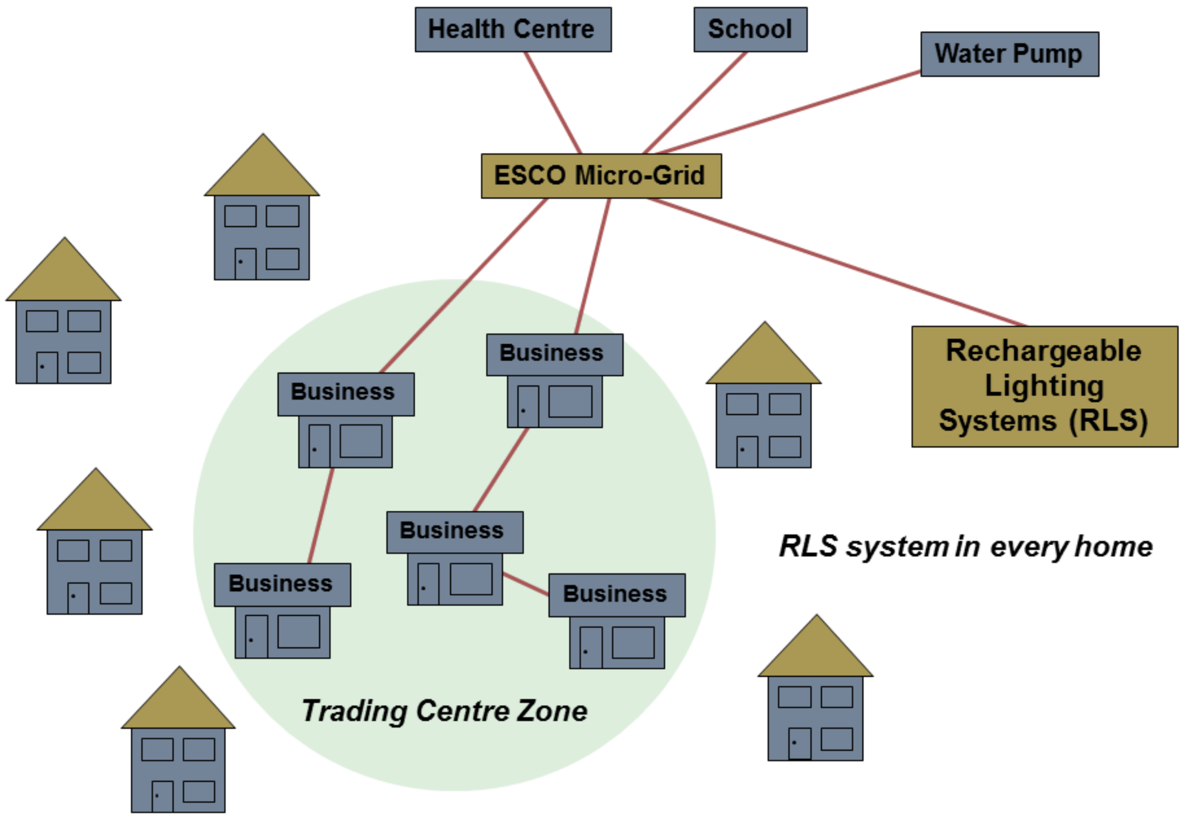
Coordination and co-creation of services

- How do you assess the needs of your customers? Does everyone want the same thing?
- What techniques do you use to get people to use your service? What has the biggest impact in terms of adoption and subsequent retention?
- Can you tell me more about experiments you have been running? What is the purpose? How do you bring users into the design of your service?
- Do you adapt your service offering to what you perceive as the needs of different communities or customer segments? If so, how?
- How do you engage the community or 'local agents' into your service design? How are they incentivised to adopt, promote and use the service?
- Have you been surprised by any differences in the way the service has been used to what you expected?

Governance of resources and operational challenges

- How do you ensure low-cost delivery of electricity service in how you manage and configure your resources?
- Who do you consider to be your key partners? Who is involved in delivering the service?
- What challenges do you face with coordinating 'on-the-ground' efforts of employees and partners as well as task and/or resource allocation from your headquarters in London?
- What is the key to customer retention and/or community buy-in?

Appendix 4: E4D distribution model



Appendix 5. Community workshop on establishing a co-operative in Kitonyoni

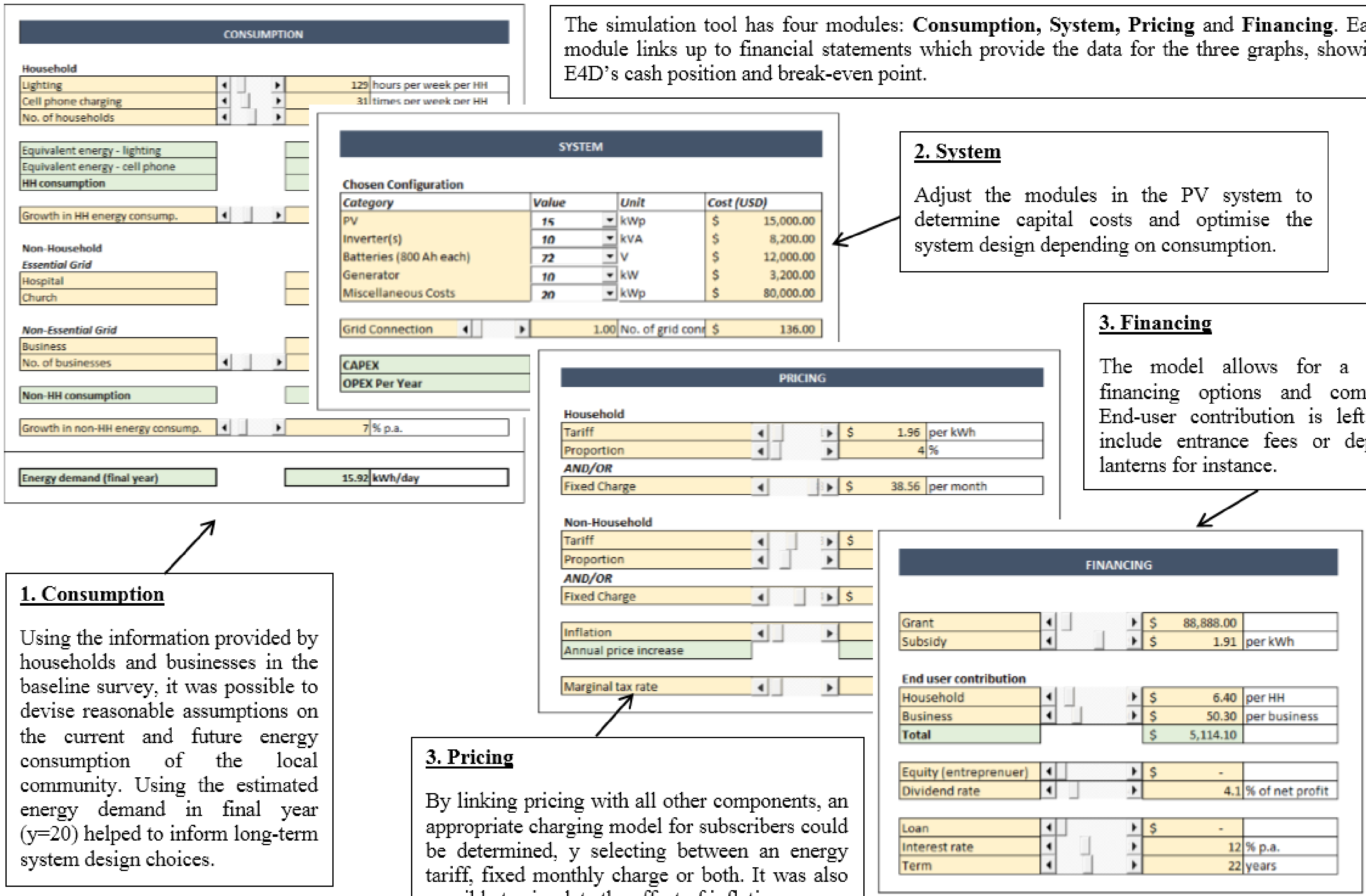
Appendix 6: Summary of social enterprises

	ENERGY FOR DEVELOPMENT	MESHPOWER
Founded	2009	2012
Headquarters	Southampton, UK	London, UK
Team members	10	5
Funding	£2.5million (October 2009 to 30 September 2015) Engineering and Physical Sciences Research Council (EPSRC) grant; Department for International Development (DFID)	£1.5million (private investment from former Google employee and angel investor), £50,000 from Shell, £50,000 from Climate KIC
Partners	Research Councils UK Energy Program University of Southampton, Imperial College London Business School, Ministry of Energy Kenya, Uganda Rural Electrification Authority, Kenya Rural Electrification Authority	Business Angel (former early-stage Google employee), Royal Dutch Shell, Imperial College London Climate Knowledge Innovation Community (KIC),
Organizational form (business model)	For-profit community co-operative (ESCO leasing model)	For-profit social enterprise (ESCO leasing model)
Technology	Pay as you go, Solar PV mini-grids	Pay as you go, Solar PV mini-grids
Site locations	Kenya, Uganda and Cameroon	Rwanda and Bihar (India)
Number of sites	5	11
Total Customers (2014)	140 Households; 45 Businesses	45 customers (India); 120 customers (Rwanda)
Total Customers (2016)	300 Households; 88 Businesses (Kitonyoni); 30 Businesses (Shompole, Kenya); 60 Businesses (Kyamugarura, Uganda); Unknown (Bambouti, Cameroon)	2000+ customers (Rwanda)

* Data up to date as of January 2016

Appendix 7: Template of E4D simulation tool

The simulation tool has four modules: **Consumption, System, Pricing** and **Financing**. Each module links up to financial statements which provide the data for the three graphs, showing E4D's cash position and break-even point.



2. System

Adjust the modules in the PV system to determine capital costs and optimise the system design depending on consumption.

3. Financing

The model allows for a range of financing options and combinations. End-user contribution is left open to include entrance fees or deposits on lanterns for instance.

1. Consumption

Using the information provided by households and businesses in the baseline survey, it was possible to devise reasonable assumptions on the current and future energy consumption of the local community. Using the estimated energy demand in final year (y=20) helped to inform long-term system design choices.

3. Pricing

By linking pricing with all other components, an appropriate charging model for subscribers could be determined, y selecting between an energy tariff, fixed monthly charge or both. It was also possible to simulate the effect of inflation.

6 Bringing Africa In: Expanding Market Contexts to Redefine Theory[6]

6.1 Introduction

Africa is on the rise, both economically and as a context for management research. Over fifteen years, the continent has experienced an average growth rate of 5 percent (World Bank, 2015). Out of its 54 countries, 26 have achieved 'middle-income' status, while the proportion of those living in extreme poverty has fallen from 51% in 2005 to 39% in 2014 (ADB, 2014). Despite significant regional differences across the continent, the main growth drivers have been a rapidly emerging consumer market, regional economic integration, investment in infrastructure and technological 'leap-frogging', opening up new markets, especially within the rapidly emerging service sector. Structurally however, African economies face significant challenges. Across the continent, the economy remains largely agrarian, underpinned by resource-driven growth and an informal sector constrained by low productivity and poor-quality employment. Meanwhile, poverty remains at unacceptably high levels, with income and gender inequality remaining the highest in the world. Many regions continue to suffer from internal conflict and 'fragile' governance, where volatility deters private investment and hampers the efforts of multilateral agents and public administrations to effect long-term advances.

As an underexplored context, Africa presents a number of paradoxes. With economic growth prevailing in many parts of the continent, business as the agent of change has ventured further than current theory can explain, thus holding vast potential for scholars to test and extend existing boundary conditions and theoretical perspectives developed in western contexts. But what is it about the context that makes Africa such fertile territory for management scholarship?

The greatest challenge to business in Africa stems from the persistence of *institutional voids,* understood as the absence of market supporting institutions, specialized intermediaries, contract enforcing mechanisms, and efficient transportation and communication networks (Khanna & Palepu, 2013). Since 2000, Official Development Assistance, targeted at narrowing the 'infrastructure gap' has been decreasing gradually, recorded at $55.2 billion in 2014, overtaken by $60.4 billion of Foreign Direct Investment (World Bank, 2015). The private sector generates 90% of employment, two thirds of investment and 70% of economic output on the continent (ADB, 2014). Yet despite the transformative power of industrialization having

[6] I am sole author of this chapter. A shortened version has been invited by the Academy of Management Journal as an Editorial, co-authored with Gerry George, Jane Khayesi, Martine R. Haas, and Laszlo Tihanyi.

proven itself in emerging economies such as India and China, the first paradox stems from Africa's unusual economic trajectory. The typical path out of poverty has been increased agricultural productivity followed by growth in manufacturing, thus reallocating economic activity away from the least productive sectors to more productive ones. As a share of Gross Domestic Product, agriculture in Africa is in decline, manufacturing is stagnating, while the lion's share of growth and employment comes from the service sector. Underlying these structural trends is the rapid expansion of information and communication networks, specifically mobile technology, which in terms of its social and economic impact, is to Sub-Saharan Africa, what the steam train was to 19^{th} Century Europe. By 2025, half of the people on the continent will have internet access, providing opportunities to connect people to services in healthcare, education, finance, retail and government (McKinsey, 2010). Instead of playing catch-up, entrepreneurs in Africa are 'hacking' existing infrastructure gaps through technology, connecting Africans to new goods and services, (e.g. mobile applications for anything from cattle herders in Kenya, private security in Ghana, monitoring patients in Zimbabwe and a platform for connecting dirty laundry to itinerant washerwomen in Uganda).

Innovative approaches to delivering new sources of value creation go hand in hand with Africa's surprising demographics, where over half of the continent's 1.1 billion population are currently under the age of 25. Unprecedented population growth will mean nearly 450 million workers are projected to join the workforce between 2010 and 2035, presenting a double challenge of job creation and productivity growth in a context marred by *resource scarcity*. Alongside the availability of sufficient financing, human capital constraints remain the most perturbing: Almost 40% of adults in Africa are illiterate, two-thirds of whom are women, and in countries such as Benin, Burkina Faso, Chad, Ethiopia, Guinea, Mali, Niger, Senegal, Sierra Leone and The Gambia, adult literacy rates are below 50% (UNESCO, 2015). The second paradox relates to how one of the world's most naturally resource-endowed continents can simultaneously face such scarcity in the form of financial and human capital. Africa is the world's second largest continent covering about over 30 million square kilometres. In many ways, the global economy is now looking to Africa for the resources to sustain its development into the next century: The continent contains 30% of the world's remaining minerals as well as the largest reserves of precious metals with over 40% of the gold reserves, over 60% of the cobalt, and 90% of the platinum reserves (KPMG, 2013). Its geographical situation however, puts Africa at a unique disadvantage with regards to more basic resources. As one of the world's driest continents, over 90% of soils are unsuitable for agriculture and only 0.25% have moderate to low potential for sustainable farming. Water scarcity impacts the lives of over 300 million Africans, of whom approximately 75% rely on groundwater as their primary source of drinking water, which represents only 15% of the continent's total renewable water resources. Meanwhile, global warming is aggravating the situation, presenting multilateral organizations, national governments and private sector participants with immense challenges for ensuring food and water security in the decades to come.

Increasing investment from multinational enterprises and the growing entrepreneurial activity within informal economic sectors occurs within heterogeneous and volatile socio-political contexts characterized by uncertain and *fragile governance.* Where countries lack inclusive political systems and robust institutions to manage the pressures of rapid social, economic and environmental change, efforts to enact inclusive growth can lead to fragility and conflict. As such, the lack of capable, accountable and responsive governance undermines business. Africa has made progress in transitioning towards more stable institutional frameworks, with an increasing number of countries undergoing peaceful transfer of power through the ballot box. In 2011, 18 countries were considered electoral democracies compared to four in 1991 and only a handful do not have multi-party systems or fail to hold regular elections (ADB, 2014). The shift towards democracy has also been associated with devolution of power from central government to local authorities, bridging access for more enhanced inclusion through collaborative efforts across public and private agents. Institutional reforms influenced by multilateral organizations and development banks, have pushed most countries to build relatively robust legal and policy frameworks for budgeting and public expenditure management, creating opportunities for institutional and regulatory support for business ecosystems. Nonetheless, the final paradox remains that in spite of such efforts, 280 million people still live in states under 'fragile situations', most notably conflict-affected countries unable to mobilize sustained investment and resources for nation-building. Armed conflict has many, long- and short-term effects on economic development, including the destruction of infrastructure affecting the provision of services, transport and communications, not to mention its effect on environmental and human well-being. For instance, there have been over 9 million refugees and internally displaced people from conflicts in Africa, which have caused as many deaths each year as caused by epidemic diseases, such as HIV/AIDS, malaria and tuberculosis (DFID, 2001). Conflict undercuts environmental, physical, human and social capital, and reduces the opportunities available through enterprise for inclusive growth.

As scholarship has expanded its geographical interest from western developed economies to the rest of the world, including Southeast Asia (Bruton & Lau, 2008; Carney, 2013), Central and Eastern Europe, (Meyer & Peng, 2005; Woldu, Budhwar, & Parkes, 2006) Latin America (Martinez & Kalliny, 2012; Vassolo, De Castro, & Gomez-Mejia, 2011) and the Middle East (Zahra, 2011), it is time to bring Africa in. There is an immediate need for developing new theories that shed light on understudied phenomena that remain major concerns for business in Africa. Our objective is to inspire management scholars to adopt Africa as a research context, by demonstrating how these phenomena are influencing existing theories and how new or unobserved phenomena have the potential to create new theories in management research.

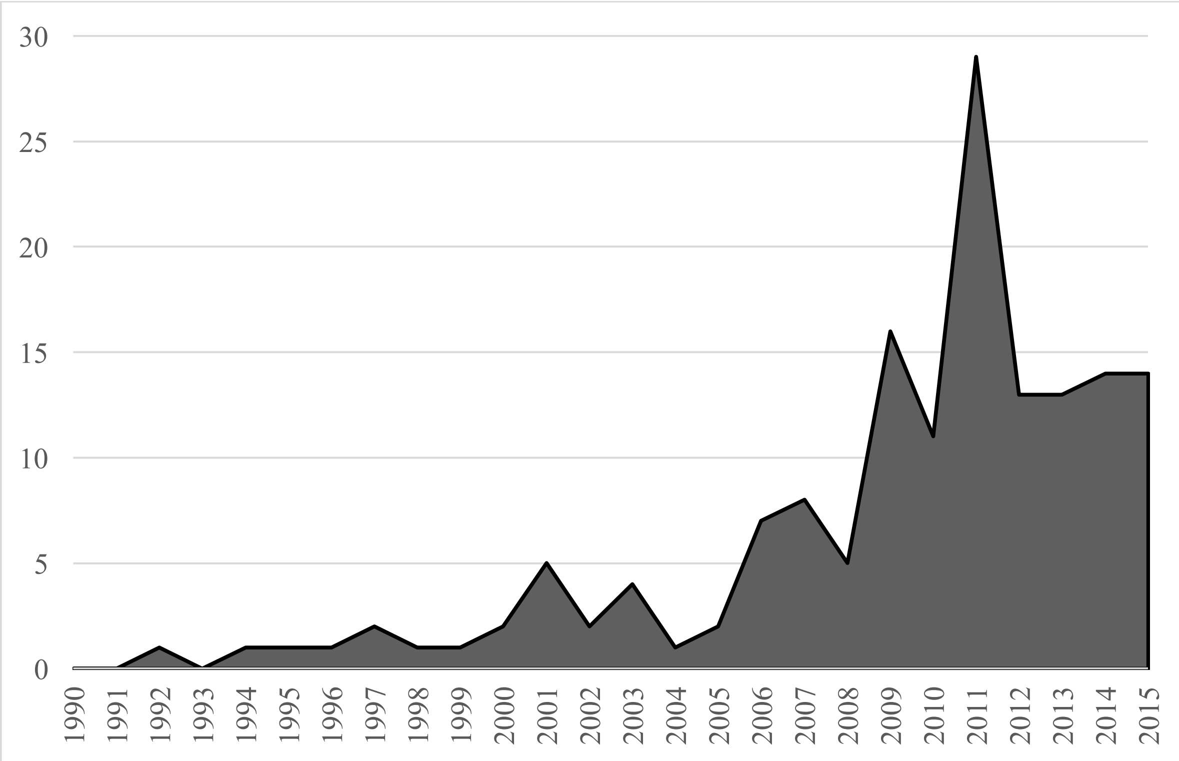
6.2 Grand Challenges: Africa as a research context

Recent reviews have observed a small but growing interest in management research *about* Africa (George, 2015a; Zoogah, 2008; Zoogah & Nkomo, 2012). While initiatives such as the nascent African Academy of Management are fostering a new generation of home-grown scholars, studies suggest that research *within* Africa remains limited, with approximately two percent of authors based in Africa at the time of publication (Acquaah et al., 2013). In order to understand how management scholarship has so far benefitted from the continent as a research context, our first objective was to review the literature. Based on the title, abstract or author-supplied key words containing 'Africa' and 'emerging economies' in the fields of business and economics, the Social Sciences Citation Index contains 552 peer-reviewed articles on Africa between 1990 and 2015.[7] Within this population, 154 relate specifically to 'business management in Africa', of which roughly 30% (n= 41) are published in top management journals ranked within the ABS Quality Guide (2015).

All 154 articles were downloaded, read and coded in order to standardise the information gathered and identify theoretical perspectives, management issues, methodology and key findings from the papers, as well as the sector and geographical context of each empirical study. In keeping with our objectives, management themes relevant to business in Africa were analyzed to reveal broader patterns of discussion, as well as to provide high-level insights. An initial overview identified current trends and observations from management research. A first observation is the notable growth of management scholarship on Africa over the last decade and the scant attention it has received previously (Figure 12).

[7] As at January 16, 2016

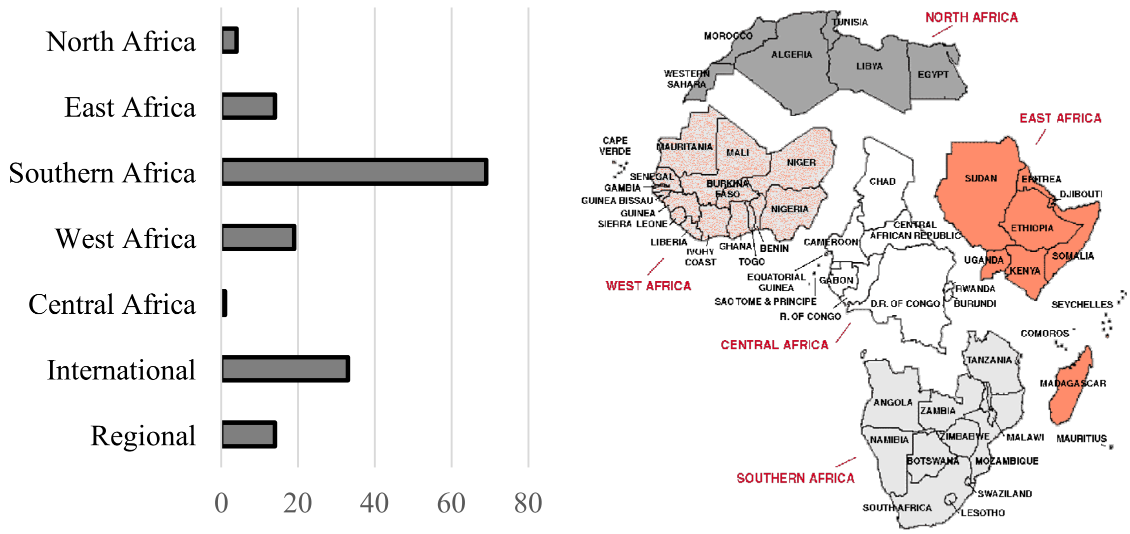
Figure 12. Number of publications by year (1990-2015)



Scholarly interest in Africa varies significantly across regions, with studies concentrated amongst those countries with the highest GDP, hence the neglect of 38 African countries, particularly within Central Africa (n=1). An overwhelming majority of research takes place within Southern Africa (see Figure 13). South Africa (n=59) in particular has received the greatest attention since it was invited to join the BRICS group of leading emerging market countries (Brazil, Russia, India, China and South Africa) in 2001. This is also due to its regional economic importance, as suggested by 70% of all top-ranked African companies by country, sector, turnover and profits originating from South Africa (Horwitz, 2012).

Countries that follow in terms of publications, include Ghana, Nigeria and Kenya, with less than 10 publications each. With regards to methodology, the majority (66%) of publications adopt quantitative methods, using individual and firm-level surveys with some larger data sets on cross-country trends and industry analysis. Qualitative studies were fewer (30%) and generally comprised case studies or fieldwork based on interviews. The remaining 4% adopted mixed methods.

Figure 13. Number of publications by region



Beyond these initial insights, our overview suggested three categories to describe the current challenges addressed within management scholarship on Africa: (1) *navigating institutional voids,* designing around weak institutional infrastructure and overcoming human and financial resource constraints to seek new value creation opportunities, (2) *building capabilities,* promoting managerial capacity, positive employee behaviour and ethical values, and (3) *enabling opportunities,* by adopting new market entry strategies, adapting governance modes and organization design choices for operating within informal markets.

Table 14. Grand challenges for management research in Africa

	Navigating Institutional Voids	**Developing Capabilities**	**Enabling Opportunities**
Sub-themes	Weak institutional infrastructure, financial and human capital constraints; inclusive market access	Nurturing responsible management culture, employee commitment and ethical business values	Market entry modes by multinationals, organizational forms, scale and scope in informal economies
Management issue(s)	SME support structures, regulatory pressures, rural market participation, property rights, gender and race equality	Managerial competences, employee commitment, CSR, governance, cultural relativity	MNC-BOP strategies, strategic alliances, corporate community involvement, informal entrepreneurship
Focal theories	Institutional theory, business ecosystems, RBV, resource constraints	Organizational citizenship, agency theory, trust, practice diffusion	Transaction costs, social and organizational networks, innovation diffusion
Level of Analysis	System, industry, firm (macro)	Firm, individual (micro)	Firm, individual (meso)

Core discipline	Development, industrial economics	Human resource management, organizational behaviour	Strategy, entrepreneurship, marketing
Number of papers	55	49	50
Empirical contexts	Financial services, mining, energy, food	ICT, construction, healthcare, media, tourism	Agriculture, financial services, insurance
Key journals	International Business Review; Development in Practice; Journal of African Economies	African Journal of Business Management; The International Journal of Human Resource Management; South African Journal of Economic and Management Science	Strategic Management Journal; Entrepreneurship Theory and Practice; Journal of Business Venturing
Representative articles	Wood, Khavul et al., (2014); Olawale & Garwe (2010); Estrin & Mayer (2008)	Horowitz (2012); Urban & Streak (2013); Saeed, Yousafzai & Engelen (2014)	Khavul, Bruton & Wood (2009); Khayesi & George (2011); Bernard & Tafesse (2012);

6.2.1 Navigating institutional voids

Out of the three challenges identified in the literature, most fundamental is how organizations navigate institutional voids, which can be understood as the business support infrastructure or 'ecosystems' that determine resource availability and enable fair market access for inclusive growth (George et al., 2012; Khanna & Palepu, 2013). At an institutional level, structures need to be created for shared risk by governments and hence shared value amongst economic participants. This is to ensure private actors are not taking a disproportionate amounts of risk (political, financial or social) by fostering supportive business ecosystems in Africa (Porter & Kramer, 2011).

Weak institutional infrastructure and institutional differences in the African context dominate much of the literature on Africa (Ofori-Dankwa & Julian, 2013). It is the backdrop to many studies on how firms adapt to survive, or in some cases fail to survive as a result of volatile and uncertain environments. For instance, in South Africa small and medium-sized enterprises have one of the highest failure rates in the world (70%), largely attributable to external factors (Olawale & Garwe, 2010). The institutional difference hypothesis (Khanna and Palepu 1997, 2000; Khanna and Rivkin 2006) also suggests that compared with developed economies, underdeveloped markets create uniquely challenging business environments across a variety of dimensions, including governmental, financial and social factors (North 1990, Scott 1995). Due to differences in transaction costs across Africa, companies operating in such countries face different institutional costs that create differences in firm competitiveness and profitability (Ngobo & Fouda, 2012). These costs can be derived from the dynamism that creates volatilities of output and consumption in emerging economies and their adverse effect on business cycles (Naoussi & Tripier, 2013).

It is possible however, for organizations to design around costs incurred from the organizational environment. Competitive value chain activities can be enacted through a combination of business entities, as has been shown in the evolution of coordinated input supply and service delivery for the development of dairy hubs in central Ethiopia (Jaleta et al., 2013). Market liberalization has also played a major role in increasing both the quality and intensity of value chain activities, demonstrated by studies of private sector development across a number of industries in Kenya during the post-liberalization period (Kijima, Yamano, & Baltenweck, 2010). In other contexts, corruption is a source of uncertainty and transaction costs within many African markets, to which multinational enterprises are particularly vulnerable as 'institution takers'. In response, many multinationals develop capabilities that allow them to mitigate the effects of corruption in the host country (Luiz & Stewart, 2014), either through positive political engagement (Luo & Junkunc, 2008) or using institutional reforms to their advantage, such as using corporate social responsibility practices to improve stakeholder relationships (Arya & Zhang, 2009).

Resource constraints posed by the gap in basic infrastructure such as transport, human and financial capital also pose substantial barriers to business in Africa. It can inhibit export markets (Ndou & Obi, 2013), limit SME internationalization (Debrah & Mmieh, 2009), as well as market entry by foreign multinationals. Many international new ventures identify strategies for overcoming resource constraints such as selecting the timing of internationalization (Wood et al., 2011a) or adopting mechanisms such as organizational entrainment to attract international customers (Khavul, Perez-Nordtvedt, & Wood, 2010). There remains however, severe constraints on domestic growth posed by a lack of human capital and skilled labour (Amankwah-Amoah & Debrah, 2011; Leung, Stampini, & Vencatachellum, 2014) as well as financial capital in the form of credit shortages and private equity investment both for large firms (Fisman, 2001; Portmann & Mlambo, 2013) and microenterprises (Umoh, 2006). One paper considers resource conditions for SME development suggesting the lack of good management and finance are the greatest constraints to the development of domestic businesses in South Africa (Mahadea & Pillay, 2008).

Inclusive growth requires bridging inequalities of market access, which remains a significant challenge for African businesses. To enable the participation of rural dwellers, allowing them to effectively exploit resources in remote areas, they require access to a range of enabling services and conditions (Temu, 1999). Gradual extension of such services and domestic market transformation is having an observable effect on 'rur-urbanized' areas (Reardon, Stamoulis, & Pingali, 2007), whilst local empowerment interventions such as cereal banking are helping communities to improve accessibility to premium markets (Mwaura, Tungani, Sikuku, & Woomer, 2012). Gender discrimination also prevents inclusive market access such as financial services, constrained by legal institutions of property rights and prevailing social norms. Development banks have aimed to overcome this divide. But while one paper argues microcredit schemes targeted at women have successfully overcome gender inequalities (Johnson, 2004), another finds the disproportionate emphasis on providing microfinance to poor women at the exclusion of poor men constitutes a short-sighted poverty alleviation strategy that can actually oppress women rather than empower them by constraining household incomes (Barsoum, 2006). In contrast, female entrepreneurship programs in South Africa have proven to be an effective training intervention for rebalancing human capital development (Botha, Nieman, & Van Vuuren, 2007). There are however, mixed results from policy initiatives directed at female workplace equality, such as the South African Employment Equity Act of 1998, which affirms women's right to equal employment opportunities, and yet the representation of South African women within management positions has declined between 2008 and 2012 (BWA, 2012).

With regards to racial inequality, in South Africa in particular, since 1994 firms have responded to extensive institutional change aimed at redressing historical imbalances created under the Apartheid regime (Chabane, Goldstein & Roberts, 2006). The black economic empowerment (BEE) policy was enacted by the post-Apartheid government to increase black participation in the economy. Its impact on mergers and acquisitions as well as investment returns have been well studied (Van der Merwe & Ferreira, 2014), whilst other papers consider how such strategic decisions are more reflective of client preferences than direct government policy, suggesting a normative influence of policy changes (Boshoff, 2012). The majority of empirical research in this area has been confined to South Africa and more is needed to observe differences in management adoption of equality initiatives in other contexts.

6.2.2 Developing capabilities, embedding values

It is recognised in most studies that African firms are constrained not only by financial factors but also by human capital, such as lack of education and inadequate technical skills (Van Scheers & Radipere, 2007). A large extent of literature is devoted to the importance of management and employee development and investigating how human resource management practices differ in African contexts.

Managerial capacity through training is a key human resource management function necessary for the achievement of organizational goals and human capital development. Continuous management training is important for management renewal and capacity building in Africa (Debrah & Ofori, 2005). Even basic level management training has been shown to improve business practices and performance (Mano, Iddrisu, Yoshino, & Sonobe, 2012). One stream of literature considers management practices considered unique to Africa, such as barter trading, which some firms in South Africa take advantage of its benefits, minimizing potential hazards through dedicated personnel responsible for ensuring accountability and good practice (Oliver & Mpinganjira, 2011). Another stream focusses on practices targeted at building entrepreneurial capacity and innovation within management teams, considering strategies for corporate entrepreneurship, assessing entrepreneurial orientation amongst managers (Scheepers, Hough, & Bloom, 2007; Urban & Streak, 2013; Van Wyk & Adonisi, 2011) and new product development models adopted by managers and how they vary across contexts (Yan & Makinde, 2011).

Social capital and the extent that managerial networking relationships with external entities, such as government bureaucrats and community leaders matter to organizational performance has been given significant attention in African scholarship (Acquaah & Eshun, 2010). The additional importance of relational dimensions alongside personal and more objective criteria is considered key to the self-assessment of managers' career success as shown by an interview-based study of junior and mid-level managers in Nigeria (Ituma, Simpson, Ovadje, Cornelius, & Mordi, 2011). Diffusion of management practices across cultures, such as in the context of international joint ventures is also a dominant sub-theme. For instance, studies suggest mixed attitudes amongst domestic managers towards prospective foreign joint ventures (Akande & Banai, 2009) and how western-based human resource management can be modified to embrace cultural diversity in an African context (Sartorius, Merino, & Carmichael, 2011). In Nigeria however, it is suggested that 'untrimmed' Western management models are not appropriate for adoption, especially without recourse to prevailing cultural values (Iguisi, 2009).

Employee behaviours and what defines work relations in Africa has so far been relatively understudied (Wood, Dibben, Stride, & Webster, 2011c). This may reflect the lack of training, development or high quality labor present within the context itself. For instance, a study on the construction industry in Tanzania revealed no systematic, industry-wide training programme for professionals in the industry (Debrah & Ofori, 2006). However, the few studies that exist suggest a number of factors that are unique to Africa. Employee relations in the informal sector provide insights into the dynamics of market-liberalisation and trade union renewal, where findings from Mozambique show progress in employment rights and greater employee engagement despite the declining importance of unions (Dibben, 2010). The relationship between leadership and morale is also put in an African context, as communication, fostering trust and team building is shown to be important for employee motivation when enduring pressures for organizational improvement (Ngambi, 2011). Employees in Africa are equally as concerned about fulfilling their training and education needs (Ferreira & van Antwerpen, 2011) and the privilege of making decisions in the workplace on areas that concern them as their western counterparts (Ukandu & Ukpere, 2011). Just as organizational trust and psychological empowerment precedes positive job behaviour in Western cultures, they are also critical to understanding positive organizational behaviour amongst Nigerian workers (O. Ugwu, E. Onyishi, & M. Rodríguez-Sánchez, 2014). Organizational citizenship behaviours observed within selected organizations in Zimbabwe, are strongly correlated with pro-social behaviours directed towards altruism over dimensions cited within organizational citizenship literature (Chiboiwa, Chipunza, & Samuel, 2011).

Embedding ethics and enlightened leadership: Research on corporate social responsibility (CSR) literature suggests that corporations adopt socially responsible policies in order to secure legitimacy or competitive differentiation (Arya & Zhang, 2009). Yet, in a context where corruption is considered widespread, rooted as a social and cultural phenomenon that hinders public welfare and social development, how is legitimacy established? An organizational view of firm-level corruption in emerging economies is a frontier issue in the realm of international management research. Studies on questionable firm practices such as ‘graft’ are shown to be an organizational phenomenon influenced by the firm's founding conditions, legitimization in the market, and capability conditions. (Luo & Han, 2009). Other studies highlight the critical role that both the national and the organizational context play in shaping ethical climates in companies (Parboteeah, Seriki, & Hoegl, 2014). At an individual level however, studies focus on perceptions towards improper business practices across a number of countries, showing different tolerances to damage resulting from unethical behaviour (Ahmed, Chung, & Eichenseher, 2003), emphasising the role of human resource management in "carrying the mantle" of ethical stewardship (Erasmus & Wordsworth, 2006). Other studies consider the embeddedness of CSR practices and the extent to which home country influences of multinationals adapt to operate effectively within corrupt markets such as oil and gas in Nigeria for instance (Amaeshi & Amao, 2009). The link between organizational misconduct (e.g. corruption and fraud), and how it affects participation at the market level is also an expanding research field with potential contributions for literature on organizational stigma, status and social evaluations (Yenkey, 2016).

6.2.3 Enabling opportunities of scale and scope

When charting the history of modern industrial capitalism, Chandler attributed economies of scale and scope benefitting modern western enterprises to infrastructure development, especially the building of modern transport systems, such as railroads (Chandler & Hikino, 1990). It was on these foundations that scalable production, modern marketing and distribution functions were built. With gradual institutional development in emerging markets, theories of economies of scale have underpinned multinational and corporate behaviour in Africa, targeting mass production to harness the potential of the so-called 'bottom billion' (Prahalad, 1999). However, Africa, and its informal economy in particular, poses serious challenges both to multinationals and domestic businesses looking to deliver goods and services. The dynamics of entrepreneurship in informal (rural) economies underpinning SME development are based on different forms of social capital and often require new organizational forms or alternative governance arrangements to ensure access. Market entry strategies and the political and economic complexities of international joint ventures (IJVs), public private partnerships (PPPs) or acquisitions by foreign firms are also a dominant sub-theme within literature on Africa. Finally, understanding the consumption lives of the poor, particularly adoption behaviours amongst consumers possessing diverse preferences and heterogeneous cultural attitudes represents an additional concern, both for business and management scholars alike.

Entrepreneurship in the informal economy is widely considered the locus of opportunity within Africa (Peng, Wang, & Jiang, 2008). Yet, the idiosyncratic practices and organizational challenges involved in competing, operating and surviving in such markets has been relatively understudied. Scholarship on how new organizational forms, in particular hybrid governance and community-based interventions such as cooperatives has opened up new research on organization design in low-cost settings. One coffee market cooperative in Kenya attributes its success to its communal roots and the effect of communal governance on improving key operational features. The study highlights grassroots origins, a strong sense of ownership by the 'client-owner', and its ability to strategically tap the coffee economy by fitting well within the socio-economic milieu of the local people, making use of principles found in informal financial practices (Temu, 1999). A similar study shows how larger co-operative forms enable scale through scope, amongst smaller farmers facing disproportionally high transaction costs, which seek to reduce per-unit costs through smallholders' product aggregation and commercialization through rural cooperatives (Bernard & Taffesse, 2012).

While multinational involvement at the base of the pyramid is generally associated with overcoming barriers of institutional voids, such as extending financial services to rural areas of low income countries, only one study considers the complexities of corporate community involvement. By investigating corporate adoption of the informal practice of barter trading it is possible to test theories of market transaction costs and information asymmetries in informal economies (Mpingarnjira & Oliver, 2011; Oliver & Mpinganjira, 2011).

Other studies seek to understand the key success factors for rural entrepreneurship at an individual level. Traits such as self-efficacy in entrepreneurial orientation is an important motivational construct that influences individual choice, goals, emotional reactions and persistence of rural entrepreneurs in Africa (Urban, 2012). Other studies emphasise social structure (George, 2015c) and the importance of social capital, family ties and communal orientation as a driving force. Despite increasing research on social capital, family firms, and entrepreneurship research in general, Africa has received limited attention as a context for exploring thesedynamics (Bruton, Ahlstrom, & Obloj, 2008; Khavul et al., 2009). Most business groups in emerging markets are associated with a single extended family, which often control a substantial fraction of a country's productive assets and account for the largest and most visible of the country's firms (Amsden and Hikino, 1994; Granovetter, 1994; Khanna and Palepu, 1997). At a smaller-scale, scholars have demonstrated the importance of communal ties for new business development (Peng et al., 2008) and examined characteristics such as family involvement, control, and governance with respect to agency costs and benefits for entrepreneurs in rural economies. In such settings, family ties and shared identity can in fact have a negative impact on resource assembly and firm performance (Khayesi, George, &

Antonakis, 2014). Similar studies also show the presence of social and cultural barriers that negatively influence entrepreneurship, for instance where family networks are strong, they can both support the newly created enterprise with funds and labour, but also sap the profits of an established enterprise with requests for financial aid and jobs for relatives (Buckley, 1996). For political ties, and accumulating political influence however it is shown that non-family firms are better able than family owned firms to use their firm-specific managerial experience to manage the resources obtained from networking relationships with community leaders to create value (Acquaah, 2012).

Political and economic complexities of market entry have been explored most recently in the context of business courtship between China and Sub-Saharan Africa. Examples of Chinese multinational subsidiaries subsequently feature heavily in African management research (Cooke, 2014). This is reflected by increasing foreign direct investment from China, which in 2013 was recorded at $3.37 billion, an annual increase of 33.9% and the fifth consecutive year that China has become Africa's largest trading partner. By the end of 2013, there were nearly 3000 Chinese overseas enterprises recorded in 45 countries in Africa, making it the second largest destination of Chinese enterprises after Asia. (China Statistical Yearbook, 2013). Despite the growth of outward FDI by firms from emerging economies such as China, theoretical explanations of these decisions, dynamics and dependencies that might incur remain limited (Mathews, 2006). Rooted in transaction cost perspectives, traditional research on FDI assumes that that firms pursuing international expansion should possess an internally transferable advantage to be successful. It is through the possession of proprietary resources and capabilities that multinationals can generate value through a monopolistic or competitive advantage over domestic firms in host countries, which offset the coordination costs of operating in a foreign country (Hymer, 1976; Caves, 1971; Buckley and Casson, 1976). With the institutional environment characterized by low resource munificence and continuous economic liberalization, a theoretical extension of current perspectives on market entry is needed. One paper shows empirically that the relationship between firm-specific ownership advantages and international venturing is in fact moderated by the degree of home industry competition and export intensity (Yiu, Lau, & Bruton, 2007). Another highlights domestic managerial competence determining market entry strategies of foreign firms. Drawing on the resource based view of the firm, it argues that access to human capital is less important than previously assumed for competitive advantage in Africa, suggesting that emerging-market multinationals are not concerned with local skill gaps. This reflects the relative ease with which even partially-skilled expatriate labor can be imported into many African countries.

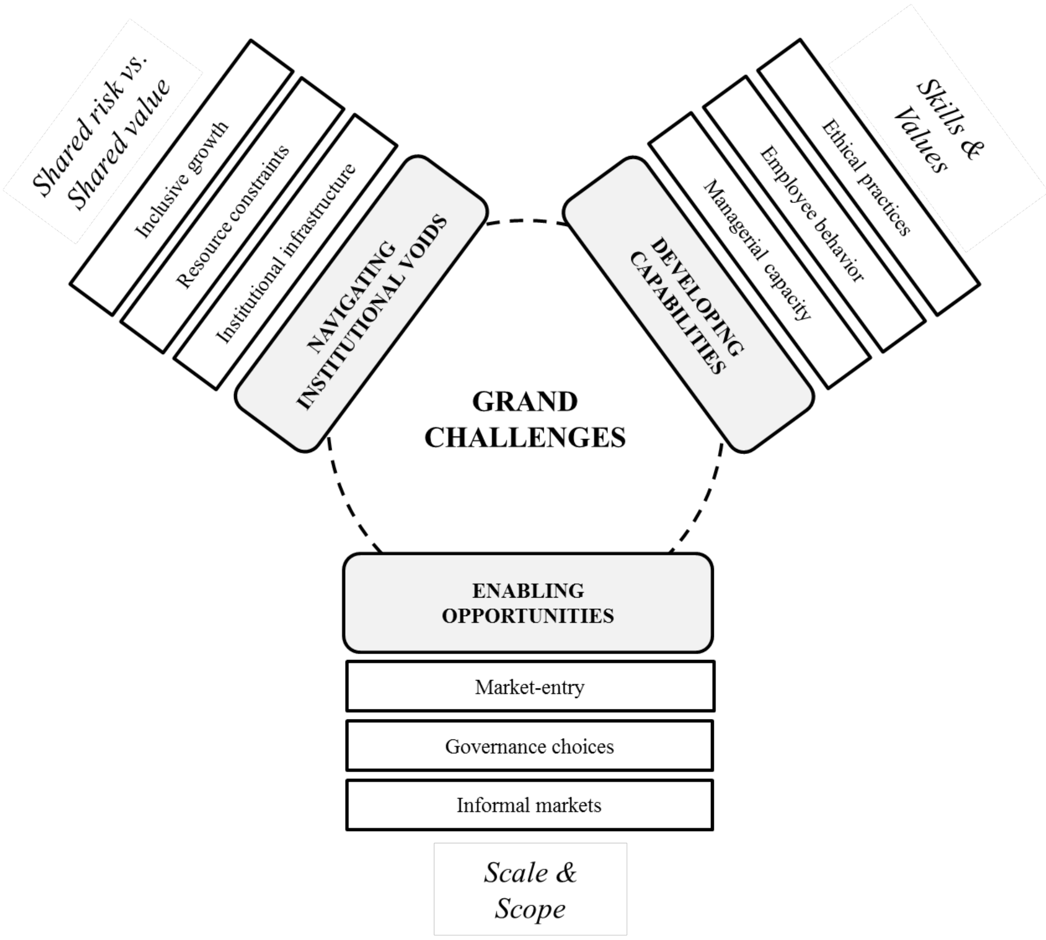
Strategic partnerships can also yield benefits within Africa, as suggested by studies on joint ventures, defined as organizational forms with common stock shared by two or more cross-border partners. One paper compares the pursuit of different strategies behind international joint ventures, showing that partners from emerging economies implementing an efficiency-oriented strategy, outperform those with partners from advanced industrialized economies implementing the same strategy (Acquaah, 2009). Others emphasise the importance of organizational structure. For instance, a study amongst 210 firms in Morocco, showed the existence of majority ownership by foreign partners, local management and mutual efforts to adapt to the management style of each party were the key success factors behind high-performing joint ventures (Argente-Linares, Victoria Lopez-Perez, & Rodriguez-Ariza, 2013). Acquisitions can also represent a stepping-stone for multinationals looking to access complementary resources, thus permitting firms to reshape their scope to accelerate growth. Often these require a high degree of organizational restructuring at the corporate level (Barkema & Schijven, 2008), distinguished as 'brownfield' acquisitions, which are likely for projects that are more integrated with the parent's global operations, where local firms are weak and institutions are strong (Estrin & Meyer, 2011). In a comparison between 'greenfield' acquisitions vs. joint ventures, it is shown how different market entry modes allow firms to overcome different kinds of market inefficiencies related to resource and institutional characteristics. In a weaker institutional context, joint ventures are used to access many resources, but in a stronger institutional context, they become less important as acquisitions can present better alternatives for accessing intangible and organizationally embedded resources. (Meyer, Estrin, Bhaumik, & Peng, 2009).

Understanding the consumption lives of the rural poor is an emerging preoccupation within international marketing literature, where many studies attempting to test and extend existing theory have had done so with great success, such as those related to adoption and retention of customers (Erasmus & Grabowski, 2013; Gothan & Erasmus, 2008), consumer preferences on different product offerings (Jacobs, van der Merwe, Lombard, & Kruger, 2010), how different demographics judge services (Chambati & Fatoki, 2011) or respond to marketing strategies such as relationship marketing (Roberts-Lombard, 2011a) and referral marketing (Roberts-Lombard, 2011c). One study specifically tests the validity of core marketing concepts in African contexts, which are perceived as useful in terms of applicability in their organizations, despite the profound country differences (Dadzie, Johnston, Yoo, & Brashear, 2002). Outside of the marketing literature, understanding the African consumer has important implications for organization theory, especially organization design where greater emphasis has been on bringing clients and consumers into the structural and boundary decisions of organizations operating within base of the pyramid settings (Corbishley, George, & Atun, 2015).

Summary

An overview of all articles published on Africa between 1990 and 2015 presents various themes worthy of further analysis, as well as insights into the frontline challenges faced by individual and organizational actors within empirical settings. Questions about how organizations respond to weak institutions, resource constraints and unequal market access; or how managerial and employee behaviours vary across contexts, reconcile corruption and ethical business practices; and finally the influence of transaction costs on market entry, governance choices and market-building in informal economies, present relevant starting points for further theory-building.

Figure 14. Representation of key themes in literature on Africa



6.3 Africa in management theory

The second objective of my literature review was to demonstrate how Africa provides a fertile context in which to explore and extend existing management theories. Moving beyond 'front-line' challenges faced by business, we sought theoretical contributions emerging from our own work and the studies we analysed using Africa as a research context. Hence the focus was on articles published in the top 10 journals within the fields of management, strategy and entrepreneurship between 1990 and 2015 (n=41).[8] Our findings were divided clearly across three groups, offering fresh insights into individual- (micro) and organizational- (meso) level responses to institutional factors present in the African *context, specifically*: *scarcity,* and how constraints influence patterns of resource access and mobilisation, *sociocultural contexts* to which individuals, entrepreneurs and foreign multinationals must adapt in order to enact market opportunities, and *uncertainty*, resulting from instability and fragile governance and how they influence organization design, boundary choices and individual behaviours.

Table 16 provides a summary of each institutional factor, indicating the nature of the response observed at organizational and individual levels. It also outlines contexts in which they are observed and the theoretical perspectives used to understand or explain them. Within the broader themes exemplified in the table, several subdomains emerged, which highlighted the importance of specific management theories, including: institutional theory, network and agency theories and stakeholder perspectives on explaining previously described phenomena observed within African contexts.

[8] Results included articles from: Academy of Management Journal (3), Academy of Management Perspectives (5), Administrative Science Quarterly (4), Organisation Science (1), Strategic Management Journal (5), Journal of Management Studies (4), Journal of International Business Studies (7), Journal of Business Venturing (3), Entrepreneurship Theory and Practice (9), Strategic Entrepreneurship Journal (1)

Table 15. Contextual triggers for theoretical development

	Scarcity (n=10)	Sociocultural factors (n=11)	Uncertainty (n= 20)
Subdomains	Individual and organizational responses to resource scarcity; access and mobilisation; governance modes and alliances	Organizational action, network activities and individual behaviours influenced by social structure and cultural identities	Volatility, uncertainty, conflict and their influence on strategy, structural choices, and inter-organizational relations
Contexts studied	CSR expenditure, resource assembly strategies, entry modes	Family firms, political ties, communal ties, communal orientation	Operation strategy choices, business environments, business group affiliation; CSR, policy responses
Theoretical perspective(s)	Institutional theory, slack resources, social capital	Stakeholder perspectives, network theory	Organization design, contingency perspective, agency theory
Level of Analysis	Domestic firms, MNE subsidiaries	Entrepreneurial firms, MNEs	Manufacturing and resource-driven firms
Representative articles	Julian & Ofori-Dankwa, 2013; Meyer, Estrin, Bhaumik & Peng, 2009; Khayesi, George & Antonakis, 2014	Acquaah, 2012; Khavul, Bruton & Wood, 2009; Khayesi & George, 2011	Khanna & Rivkin, 2001; Amoako-Gyampah & Boye, 2001; Ofori-Dankwa & Julian, 2013; Saeed, Yousafzai & Engelen, 2014

6.3.1 Responses to scarcity

The availability of resources for developing firm-specific and industry-specific capabilities is fundamental to resource-based theories of management scholarship. The extent to which organizations are able to combine such resources to enable competitive advantage has also proved vital to performance (Barney, 2001). In resource-constrained settings, organizations enact inventive approaches towards resource accumulation often by exploiting otherwise overlooked physical, social or institutional inputs (Baker & Nelson, 2005; Desa, 2012). Individuals and organizations might pursue alternative structural or governance arrangements to acquire them, such as gaining access through more fragmented distribution or logistics system to reach the geographically dispersed rural poor (George et al., 2012), as well as partnerships or alliances in order to overcome institutional barriers (George, Rao-Nicholson, Corbishley, & Bansal, 2015). By exploring these patterns of resource accumulation and mobilization amongst a range of economic actors, including multinationals, domestic firms and entrepreneurs operating within informal sectors, a number of articles have made important theoretical contributions that explain responses to scarcity in Africa.

Patterns of resource acquisition and mobilization

The relationship between institutional environments and resource munificence – particularly the almost equal importance assigned to formal (human capital, access to finance, technology and managerial capabilities) and informal (local knowledge, traditional technologies and networks of trust) resources in African contexts has been well-documented (Zoogah, 2015). Where there is a shortfall in formal institutions, the capability to mobilize informal resources becomes even more important for organizational effectiveness and survival. For example, entrepreneurs leveraging local knowledge can build successful, scalable businesses and even gain competitive advantage over foreign rivals (Dia, 1996), while multinationals that replicate these processes can acquire 'local resources', such as employing regional languages and leadership practices to build sustainable relationships with local stakeholders (Luiz, 2015). An interregional survey amongst the CEOs of multinational subsidiaries in South Africa and Egypt has also considered how resource-seeking strategies affect governance decisions relating to market entry modes, which vary across institutional contexts. The study finds that in weaker institutional frameworks, joint ventures help to acquire scarce resources, which would otherwise be inaccessible to foreign firms, while in strong institutional frameworks, acquisitions play a more important role in accessing resources and embedding organizations within local contexts (Meyer, 2009).

Insights into managerial and corporate practices amongst domestic African firms offer alternative explanations to hypotheses developed within resource-abundant contexts such as Europe and North America. For instance, whereas existing theory related to corporate social responsibility practices suggests these 'discretionary' activities are a function of slack resources (Surroca, Tribó, & Waddock, 2010; Waddock & Graves, 1997), in resource-constrained settings such as western Africa, institutional differences elicit an alternative response. As a function of limited pressures from local governments to make such investments, one study of 41 large firms across 12 sectors in Ghana finds a negative relationship between financial resource availability and corporate social responsibility spending amongst firms (Ofori-Dankwa & Julian, 2013). Similarly, studies that consider resource management in family firms in Africa show that firm specific managerial experience to manage the resources and capabilities obtained from networking relationships with community leaders are stronger within family-owned firms over non-family firms, a finding that tests current boundary conditions related to theories of family firms.

Social-embeddedness of firm resources

Research on entrepreneurial propensity emphasises individual level-resources such as the possession of financial, human and social capital, which remain scarce amongst most would-be entrepreneurs in Africa (Choi, Lévesque, & Shepherd, 2008; Shane & Venkataraman, 2000). Cross-country studies suggest scarcity within institutional contexts, such as the formal (financial and educational) resources and informal (trust and cultural value) resources can moderate this link between individual resources and the likelihood to partake in new business activity (De Clercq, 2013). In Africa, entrepreneurial, small and medium-sized firms are frequently unable to access financial resources due to risk aversion amongst domestic banking institutions. As a result, entrepreneurs often rely on resources present within their family or community context. In doing so, this can create strong social obligations or demands, which would not otherwise be present. A quantitative survey of 242 entrepreneurial firms in Uganda considers the importance of social capital within informal economic sectors. Contrary to network theories which suggest the efficiency of tie strength at an individual level due to the ease of monitoring and sanctioning of participant behaviour (Granovetter, 1973), this study suggests entrepreneurs are likely to incur greater costs of accumulation when they rely on kinship networks (Khayesi et al., 2014).

Scarcity can cause household members to engage in enterprise beyond formal economic activities and prevailing social norms in search of reasonable income gain (George, 2015c). Female entrepreneurs in Africa are well-placed to engage in informal entrepreneurship at the grassroots especially when they are able to leverage institutional support provided by education, entrepreneurship and training (EET) programs (Bullough, 2015). This allows women to overcome scarcity within family contexts, by using earned income to support household and family goals, improve standard of living and achieve greater autonomy (Calas, Smircich, & Bourne, 2009; Scott, 2012). While these findings are not theoretically relevant, there is great potential to unearth diverging patterns in the way impoverished women are able to earn better income overcome resource constraints to improve their position to empower themselves through entrepreneurship, through lenses such as social capital and institutional entrepreneurship (Joshi, Neely, Emrich, Griffiths, & George, 2015).

6.3.2 Responses to sociocultural factors

Africa is a continent of extreme variety, dating back to before colonial rule when it comprised up to 10,000 different states and autonomous groups with distinct languages and customs.

Today, over 25% of all languages are spoken only in Africa with over 2,000 recognised languages spoken on the continent (Heine & Nurse, 2000). This extent of ethnic and linguistic diversity matters in the context of business in Africa, it affects how individuals, groups and organizations relate or interact with one another, (Stinchcombe & March, 1965) and has a bearing on transaction costs depending on the level of cultural affinity or distance between exchange parties (Luiz, 2015). At the same time, operating in locally embedded contexts, either as a multinational firm attempting to reach geographically-dispersed markets or as entrepreneurs in rural communities, also impacts networks, governance modes and organization design decisions related to hierarchical structures and firm boundaries.

Cultural affinity, stakeholders and legitimacy

Cultural affinity helps to build social capital and community networks, such as in the case of entrepreneurial orientation which shows a positive relationship with performance and national culture (Saeed, Yousafzai, & Engelen, 2014). Conversely, cultural distance can serve to alienate organizational participants from the context in which they are operating. Identity and culture necessarily have an impact on organizational action, choice and individual behaviours as organizational participants form networks or engage in stakeholder relations across diverse ethnic, group and tribal identities (Thomas, 2000). Contrary to a prevailing view that cultural differences are problematic and potentially disastrous to organizational cohesion (Hofstede, 1984), more recent work in international business research stresses the need for a more balanced, even positive lens on evaluating cultural differences, and their impact on organizational effectiveness and acculturation of individual or workgroup behaviours (Stahl & Tung, 2014; Tung, 2008). Hofstede's dimensions and other measures to assess cross-cultural differences have been applied to market entry modes, knowledge transfer across geographies, strategic alliances and inter-organizational relationships, as well as multicultural teams and adjustment patterns to foreign cultures. Within organizational workgroups, a study amongst middle managers in South Africa suggested these identities become less pronounced as both management culture and perceived management effectiveness were found to be independent of both race and the dimensions of culture (Thomas, 2000). Similarly at a market level, actors from diverse and competing social groups can come together to identify as members of a common market rather than agents of discrete social groups. In a study on investor recruitment into the Nairobi Securities Exchange, despite high levels of inter-ethnic distrust and weak formal institutions, these disparate groups were able to integrate themselves using professional social identities to resolve conflict (Yenkey, 2015).

Consistent with stakeholder perspectives that by allocating resources to gather political and social support, firms can enhance their financial valuations (Clarkson, 1995; Donaldson and Preston, 1995; Jones 1995), attempts of multinationals to reduce their 'liability of foreignness' has important implications for the ways in which stakeholder relationships are formed. Evidence from the mining sector in Africa suggests multinational enterprises can increase their status, popularity and cooperation by making use of structural holes. While this allows firms to obtain valuable resources and maintain cooperation amongst domestic stakeholders, it risks accentuating the dissimilarities between them and pre-existing stakeholders, subsequently undermining relationships with investors. It is an interesting paradox that despite strengthening ties within new markets, stakeholder activities can impede cooperation and enhance conflict with pre-existing stakeholders (Nartey, 2016).

The persistence of ethnic-specific traits in Africa whereby individuals identify as much with their ethnic groups as with their nation also speaks to the contemporary function of tribal leaders (chiefs) which influence various aspects of the economy and polity in Africa. These factors offer potential interest for further study on how tribal institutions work side-by-side with the institutions of the modern state. Network theories suggest firms perform better when individuals are embedded in networks of relationships that enable access to capital, knowledge or other resources valuable to the firm (Burt, 2009; Sorenson & Stuart, 2001). In highly local, geographically, dispersed contexts, tribal chiefs, for example can play a large and respected role in settling disputes and allocating land in many parts of Africa today. Structural patterns of precolonial centralization replicated at a local level create idiosyncratic social and organizational networks, which present important concerns for legitimacy-building and the acquisition of local knowledge and management practices (Michalopoulos, 2015).

To establish legitimacy, multinational firms have been shown to benefit by adapting to local languages, adopting regional 'lingua francas' like Swahili to enhance their ties with local stakeholders and work effectively within 'communities of place'. Within industries requiring a high degree of community embeddedness, such as mining, this involves communicating and working with people who 'steward' the land their ancestors have inhabited for centuries (Selmier, 2015). Multinational enterprises may also need to adapt their organizational structures in order to reach remote communities. These contingencies have important implications for intra-organizational control, authority and work integration. Comparing the process of 'delayering' (removing hierarchies) and 're-layering' (putting them back) between South African firms and those in New Zealand and Australia suggests different outcomes for firm restructuring depending on the institutional environment, whereby rather than empowerment, managers can often face increasing spans of control, responsibilities and workloads, exacerbated by failures to redesign managerial jobs. (Littler, 2003)

Organizational structure and firm boundaries

Stratified organizational hierarchies and working across boundaries to access remote communities can result in information transfer costs becoming extremely high. These complex, locally-embedded structures can render formal reporting structures and mechanisms to control behaviour through traditional incentives difficult. Knowledge-workers operate within informal networks to acquire information from colleagues and propagate it within the organization by cutting across functional, hierarchical and geographical boundaries, they take on a different character in 'dual' economic and institutional environments such as Africa, as they must also cut across ethnic and national-level institutions. A cross-country study of knowledge seeking behaviours within investment banking in Africa and Asia look at how network closure occurs between both acquirers and providers of information. This study tests theories on how control is enforced in complex network settings, where the logic of weak ties and sparse networks is not enough to foster effective "boundary spanners". Instead, strong ties and network closure are deemed necessary to induce cooperation from the providers of information (Gargiulo, 2009). In contexts where social and cultural knowledge is important to operate effectively, network closure can induce cooperative behaviours amongst network participant, create a safer environment for exchanges by promoting trust as well as enforcement of cooperative norms (Coleman, 1990).

At an organizational level, the necessity to engage in communities with complex social structures and customs may also have implications for inter-organizational relationships. Literature on networks and strategic alliances suggests multiple reasons and challenges associated with entering into formal partnerships (Gulati & Sytch, 2007). In Africa, many organizations rely on non-governmental organizations (NGOs) or charities to bridge the last mile and provide access to customers or communities. The dynamics of partner choice and dependence may be different in inter-organizational networks with diverging goals and governance structures, especially when considering the co-existence of hybrid organizational logics amongst for-profit and not-for-profit organizations. In cases where multinational enterprises conduct social initiatives in Africa, their involvement in social life can expose ways in which corporate values are at odd with local culture and identities (Margolis, 2003). A study on social intrapreneurship within African and Latin America suggests cognitive, network, and cultural embeddedness plays a constraining role on organizational choices, which is particularly pronounced in organizations that were previously non-profit in form (Kistruck, 2010).

Community, obligations and informal entrepreneurship

At an individual level, an empirical study of 384 social enterprises from 19 sub-Saharan African countries suggests that ethnic group identity, as well as acute poverty influences both self-perception and activity choices. This also points to an additional influence on entrepreneurial action, not captured in previous research (Rivera-Santos, 2015), whereby sociocultural factors such as communal orientation can moderate relationships between social capital and resource accumulation, leading to unexpected obligations and consequences (Khayesi & George, 2011). A follow-up study in East Africa suggests entrepreneurs not only use strong family and strong community ties to establish and grow businesses, but also use these strong community ties to counterbalance the obligations that extended family ties create. (Khavul, Bruton, & Wood, 2009). Similarly, qualitative studies of informal family businesses in East Africa explore the agency costs that arise from cultural-based rights of the extended family and touches on similar problems that might be faced by microbusinesses in informal African economies.

The cultural aspects of owning a business can be explored in the context of family businesses, where additional 'rights' of family members might also reflect social structures existing at a community level. For instance, in large extended families, a cousin can ask for a job, money or other resources and expect to get them despite a weak connection to the business itself. Cultural-based inheritance laws and norms, such as the rights of extended families, and the subordination of women's ownership rights tests existing models on family businesses and informal enterprises such as the dominant 'three dimensional development' model, which is split across business, ownership and family aspects (Gersick, 1997). These dynamics and complexities also have the potential to test and extend theories of agency, adding to an ongoing debate on whether agency costs are lower or higher in family businesses or socially embedded microenterprises than in other businesses (Carney, 2005; Chrisman, Chua, & Litz, 2004).

6.3.3 Responses to uncertainty

The African context is complex, uncertain and often volatile (Dia, 1996; Mbaku, 2004). Political conflicts can occur without warning, just as economic opportunity can come and go as the social, political or economic conditions dictate (Vaaler, 2005). Political uncertainty often stems from weak institutional infrastructure within both formal and informal systems. In contexts of civil war affecting many parts of Africa, (such as recent insurgencies in Chad, Nigeria, Cameroon and Sierra Leone), it is often regarded as a function of utility, by which rebels will rise up if the perceived benefits outweigh the costs of rebellion. Subsequently, abundant natural resources are often at the heart of these conflicts (Collier & Hoeffler, 1998). Dynamism within the environment can influence firms through interactions with institutions at the national level as well as impact resources and capabilities at the firm level (Zoogah, 2015). The impact of uncertainty can manifest itself in market structures, foreign entry modes, investment and exit decisions, corporate-political engagements, partner choices and agency concerns stemming from the fragility of regulatory policies and uncertainty of political action.

Organizational and transaction cost economics

Seminal works in organizational economics emphasise transaction cost principles of the multinational enterprise as a mode of economic organization, balancing host country factors with the appropriability regime and characteristics of the markets they enter. (Anderson & Gatignon, 1986; Teece, 1986). In volatile environments, for efficient governance to succeed, profit-seeking firms internalize operations when transaction costs would be lowered if present within the firm. While transaction cost economics may paint an overly-simplistic picture, studies on Africa show how specific business environmental factors influence operations strategy choices. Amongst manufacturing firms in Ghana for instance, firms are influenced by standard concerns such as perceived business costs and competitive hostility (Amoako-Gyampah & Boye, 2001). Similarly, a multi-country study on the extent to which multinational subsidiaries are able to implement high performance work systems demonstrates that host country's institutional environment impact organizational arrangements, specifically the design, structure and effectiveness of work systems. Interestingly, the study finds that high-growth economies, such as South Africa, despite being characterised by extensive change and uncertainty, are often the most receptive. It is often the determination on the part of the parent companies, which can implement programs across subsidiaries to improve performance and foster convergence with pre-existing organizational arrangements, despite countervailing host country institutional pressures. This suggests the effects of strong agency and presents a unique case where contingency effects in structural or design arrangements are not impacted by the context (Lawler, 2011).

The ubiquity of business groups across geographical contexts has fostered studies on the patterns of formation, collaborations and economic performance amongst business groups in emerging economies. In countries such as South Africa, they are seen as responses to market failures and high transaction costs. While in contexts such as the USA, diversified businesses tend to perform worse, organizational forms with diversified interests as a function of business group participation are better placed to create value where external markets are poorly developed (Khanna & Rivkin, 2001). Similarly, due to the limited number of trade linkages between base of the pyramid markets and developed markets, producers are paid less for outputs and thus consumers pay more inflated prices (London et al., 2010). Responding to the absence of strong formal institutions that facilitate trade beyond informal network economies, as well as poor transportation and communication infrastructures, (Bauer, 2004) environmental factors influence the structural choices made by market intermediaries intending to connect firms with more developed markets (Kistruck, 2013).

Issues of control and techniques used to monitor performance in distant and uncertain markets provide insights into how transaction costs related to information exchange are controlled across geographical boundaries, especially how the institutional environment affects such coordination. One study on how US franchisors interact with franchisees in South Africa and the Middle East, suggests that competition provides greater incentive to share information to franchisors, whilst over time the franchisee is prone to share less (Dant, 1998). Information exchange between organizational actors across institutional contexts is a particularly unique challenge of maintaining system level goals across geographical boundaries, which can prove more difficult under conditions of uncertainty.

Institutional dynamism and theories of agency

Institutional uncertainty has implications for theories of agency and whether individuals and organizations act more opportunistically in volatile environments, as is shown to be the case in joint ventures (Luo, 2007). Elements of dynamism at a sector level are also closely related to agency concerns reflected in firm capital structures, owing to the environmental impact on potential information asymmetry. In stable market environments, firms operating in low dynamism sectors tend to use leverage over equity financing, whereas rising agency costs associated with more dynamic contexts suggests firms pursue equity finance (Dess & Beard, 1984; Simerly & Li, 2000). Contrary to findings from developed economies, underdevelopment and uncertainty within national institutions such as in sub-Saharan economies, sector dynamism has been shown to negatively moderate the firm equity performance relationship, largely due to additional agency costs (Ofori-Dankwa, 2013). Implications of the cost of capital and high financing costs for new infrastructure investments in developing countries can be debilitating, although studies have shown how more transparent policy mechanisms – such as reverse auctions in the case of utility-scale solar PV investments - introduced by governments in South Africa and India, can overcome the risk premium attached to investments in weak institutional environments (Donovan, 2015).

Firms operating in uncertain African contexts can respond to government bureaucracies in a myriad of ways. In periods of extreme uncertainty, investors can insist on the wholesale withdrawal of firm activities from a specific country or an entire continent (Meznar, 1994, 1998). Business organizations operating in different nations are embedded in distinct institutional environments, experiencing different degrees of coercive pressures to engage in corporate or ethical practices such as CSR (Maignan & Ralston, 2002). In the early stages of institutional reforms, legal, political and social changes create institutional volatility and uncertainty (Hoskisson, 2000). As a result, organizations must often respond in various sways to ensure legitimacy. Adopting South Africa as a context in which to explore corporate reactions to regulatory change, Arya & Zhang investigate whether CSR initiatives by early mover corporations have a positive or negative impact on their stock prices, compared to late reformers. Due to the uncertainty during the early phase of institutional reforms, investors tend to react negatively to early mover CSR announcements, suggesting a 'late-reformer premium' befitting contexts of uncertainty (Arya & Zhang, 2009). Studies of corporate practices in Africa offer fresh insights into institutional persistence and isomorphism, where current frameworks are being put to the test. For instance the widely cited CSR Pyramid identifying economic, legal, ethical and discretionary responsibilities, (Carroll, 1991) is prioritized differently by countries within Africa, facing greater ethical and legal uncertainty (Visser, 2006, 2008).

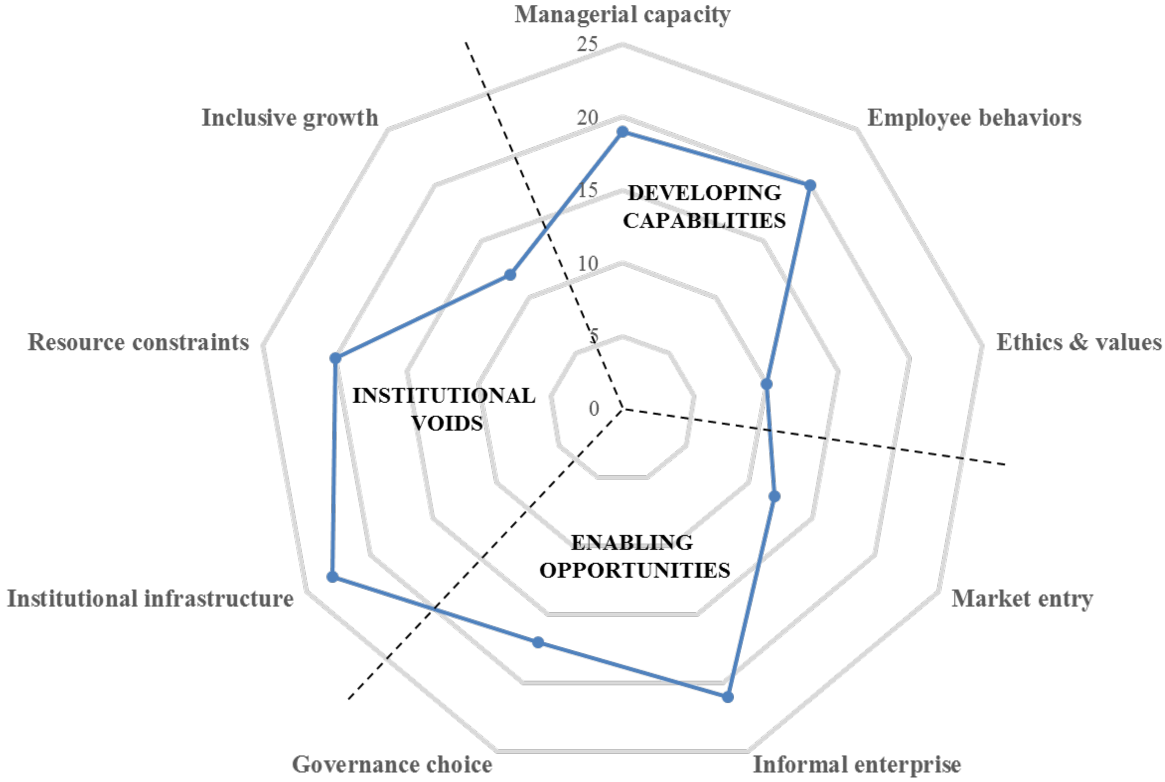
6.4 Summary and Conclusion

This literature review presents Africa as a fertile context in which to test and extend existing management theories by challenging organizational scholars to encompass global dimensions in their research. My findings suggest more work is needed in research areas related to governance, inclusive growth, informal market entry and the acculturation of ethical business practices within African organizational contexts (see Appendix 9). There is also an urgent need to foster management scholarship *within* Africa, which is currently in its nascent stages with the establishment of the African Academy of Management last year, and to encourage research on neglected countries in ‘fragile situations’, including Central Africa (see Appendix 10)

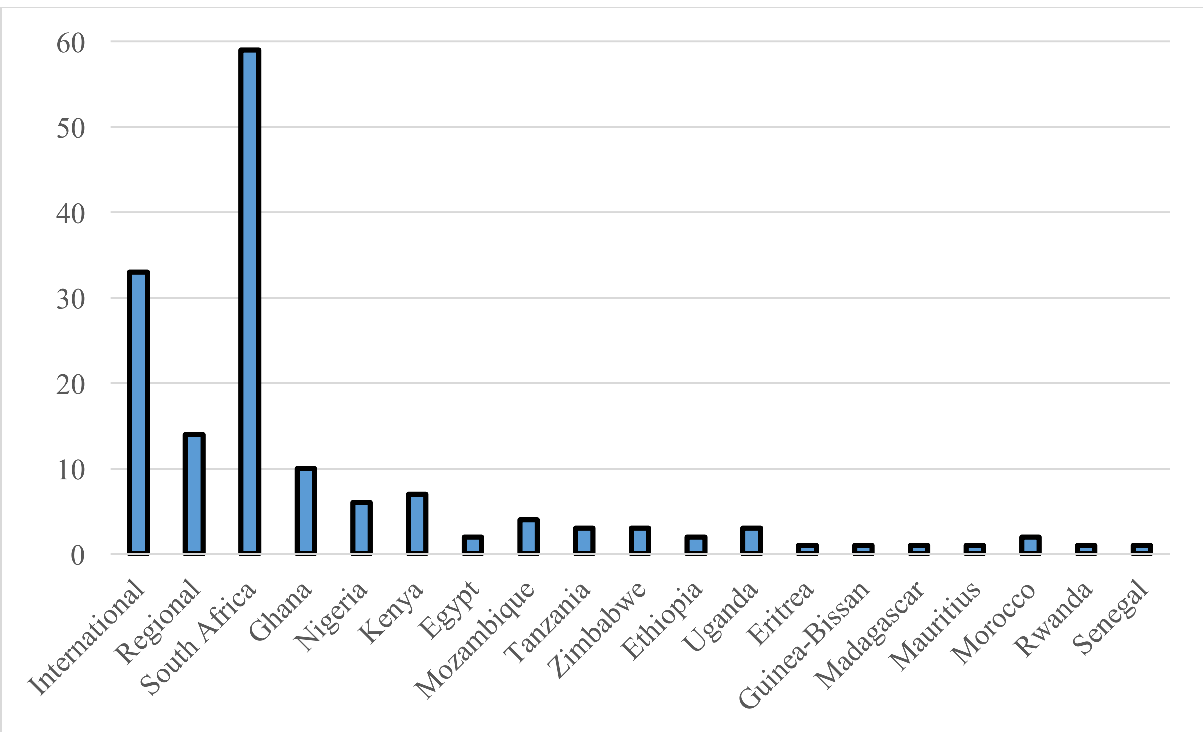
Appendix 8: Coding of papers

Overarching Themes	2nd Order Categories	1st Order Categories	Exemplar Topics	Exemplar Papers	No.
Navigating institutional voids (n=55)	Institutional infrastructure	Competitiveness	Market participation, organizational effectiveness and performance, liberalisation, rural development; institutional corruption, impact on subsidiary performance, political risk impact on performance e.g. financial decision-making, firm withdrawal	Jaleta (2013(; Ndou (2013);	13
		Ecosystem support	SME support, internationalisation (2), national and regional competitiveness, property rights, clusters colocation, innovation	Mahadea (2008), Bromfield (2010); Ngobo (2012); Mbaye (2002); Khavul (2011)	10
	Resource constraints	Financial Capital	SME survival and failure, constraints, influences and deterrents of FDI, relationship with property rights, agency, business group affiliation, industry membership impact on profitability (macro)	Estrin (2008); Wood (2014); Chimchachu (2011); Olawale, (2010); Van Scheers (2007)	13
		Human capital	skills, socio-political context, informal institutions, tribal identities	Leung (2014); Dayu (2012)	7
	Inclusive growth	Equality	Postcolonial legacy; social initiatives by business and effect on performance; equality of access; gender (3); racial e.g. black economic empowerment (5)	Barsoum (2006), Umoh (2006); Doubell (2014)	12
Developing capabilities (n=49)	Managerial capacity	Managers	Training, education, capabilities, accountability, leadership, cross-cultural impacts (China), individual culture, employee diversity effect on managerial performance, nature of managerial work	Horowitz (2012), Thomas 2000	19
	Employee behavior	Employees	Employee engagement, commitment, motivation, HRM, trust	Uewu (2014)	13
		Innovation practices	Entrepreneurial capacity of employees; entrepreneurial orientation; corporate entrepreneurship, innovation management, NPD, network closure and knowledge sharing	Saeed (2014); Urban (2013)	7
	Values	Ethics	business ethics, values and management, corruption and leadership, CSR, graft practices, social evaluations	Arya (2008); Luo (2009)	10
Enabling opportunities (n=50)	Market entry	Multinational-BOP	competitive strategies, corporate political ties (4), navigating institutional voids, FDI (Dragons and Lions), coordination costs	Luo (2008); Luiz, Stewart (2014); Yiu, 2007	12
	Governance choices	Partnerships	Political and economic complexities of IJVs, PPPs, acquisitions, intermediaries	Kistruck, Paul, Qureshi, Sutter, 2013	8
		Organization design	organizational forms (hybrids); organizational entrainment; cooperatives bridging access, mitigating operational costs, scale and scope, social intrapreneurship, delayering strategies	Khavul (2010); Bernard (2012)	9
	Informal enterprise	Informal markets	Entrepreneurship in informal economies; social capital; family firms; communal ties and entrepreneurial orientation, resource-constraints, female entrepreneurship,	Buckley (1996); Khavul (2009); Acquaah (2010); Khayesi & George (); George (2015)	13
		BOP adoption	Adoption characteristics, preferences, customer retention		8

Appendix 9: Number of publications by theme

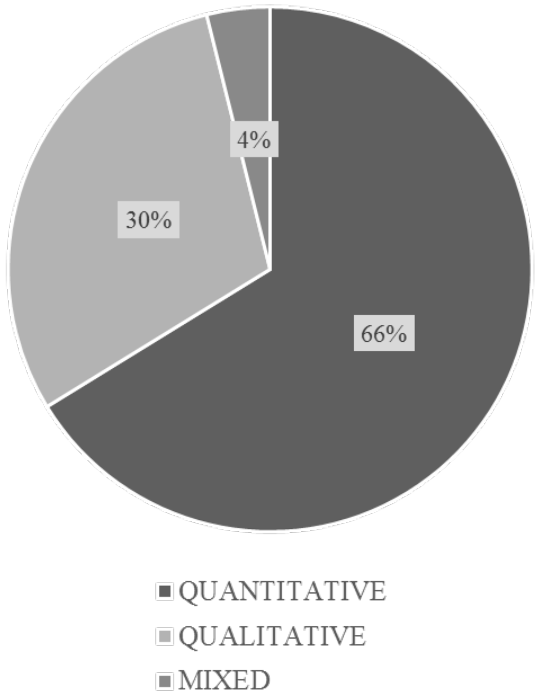


Appendix 10: Number of publications by country



Appendix 11: Number of publications by method

Methodology	Number
Theory / Review	10
Case Study	22
Fieldwork	14
Total Qualitative	46
Survey (individual)	36
Survey (firm / subsidiaries)	43
Industry	9
Macro	14
Total Quantitative	102
Mixed Methods	6
QUANTITATIVE	102
QUALITATIVE	46
MIXED	6
Total	**154**



7 Conclusions

The broad objective of this dissertation is to investigate how innovative products and services are delivered in low-cost contexts, to identify salient dimensions upon which organization design enables firm governance and coordination in weak institutional environments. The common thread connecting my three empirical studies is that social value creation in contexts of extreme poverty is an organization design challenge, and that innovations for inclusive growth can be delivered by adapting internal and external organizational arrangements to low-cost contexts.

Chapter III complements an emergent literature investigating which governance modes are most suited to delivering inclusive innovation. It highlights the role of institutional entrepreneurship in overcoming resource constraints and transforming the status quo. Insights from an in-depth case study also provide a fresh perspective on public-private partnerships in overcoming the rules and norms of public and private activity, whilst lowering coordination costs to deliver welfare services under resource constraints. Chapter IV investigates the design of formal organization structure and how organizational and social context elicits informal practices that enhance coordination capacity in inter-organizational and community settings. Specifically, it highlights the complementary role of organization structure and emergent practices for the integration of work in stigmatized client settings. Chapter V examines another dimension of organization design – stakeholder salience and its impact on design choices. It connects theories of governance and coordination, highlighting the complex trade-offs between organizational costs associated with alternate hybrid governance forms, as well as their implications for the depth and breadth of inclusive innovations.

This perspective on social value creation as an organization design challenge contributes to existing theories of governance and coordination, and has important managerial as well as policy implications for inclusive growth.

7.1 Contributions to theory

Organization design, as a lens with which to explore value creation and capture at the base of the pyramid, presents new opportunities to test and extend management theory and open new research avenues. A core theoretical contribution of this thesis is the development of a broad framework relating organization design dimensions to social value creation. In doing so, it contributes to theories of governance, coordination and inclusive innovation.

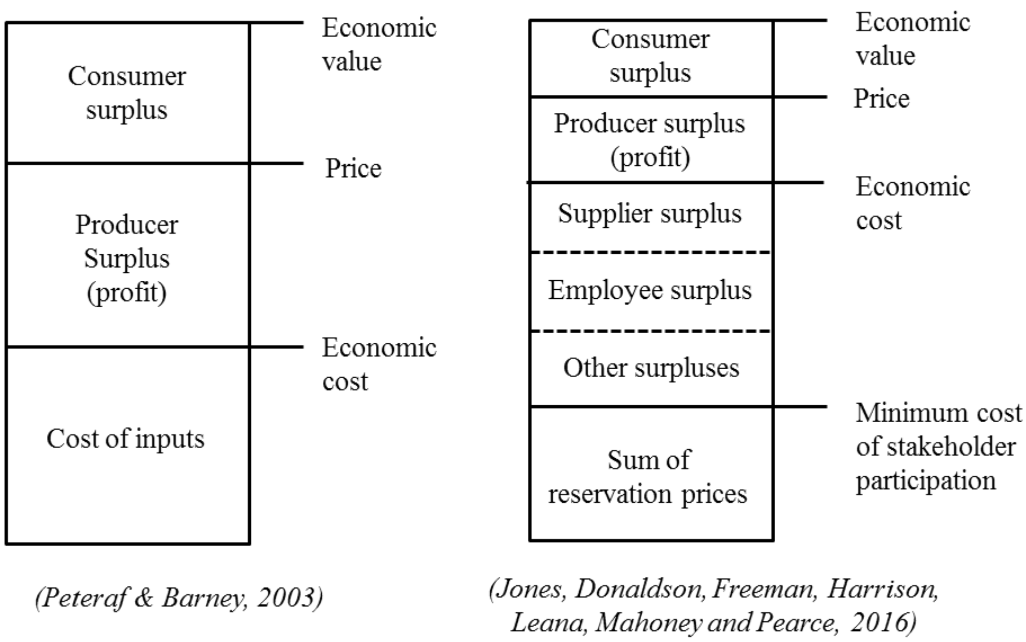
Organizational determinants of inclusive growth

First, this thesis contributes to treatments of inclusive innovation as a process of organiz*ing*, not simply as a performance outcome. It does so through analysis of multiple organizational forms. Western contexts boast a long history of organizational diversity beyond the modern corporation. Studies in sociology consider the formation of parallel 'systems' of cooperative, mutual and local or state-owned enterprises directed at meeting the demands of a broader set of stakeholders than capital providers. In the USA for instance, despite an era of 'corporate consolidation', multiple producer and consumer groups formed such enterprises in areas such as agriculture, banking, electricity and telecommunications, providing regulators and policy makers with new options for state intervention and organizational systems to keep firms and markets in check, whilst contributing to economic development (DiMaggio, 2009; Schneiberg, 2010).

The perceived failure of many modernization and dependency approaches towards poverty alleviation has led to a greater emphasis on market-based solutions (Roxas & Ungson, 2011). Yet there remains limited understanding of the organization design elements required to meet both profit-seeking and social welfare goals (Battilana & Lee, 2014; Battiliana et al., 2012). This theoretical framework compliments a growing body of literature that investigates a range of organizational types and their capacity to deliver social innovations. Initially motivated by an emphasis on multinational corporations as a vehicle for moving beyond profit-maximisation to take a more active role in social welfare (Guthrie & Durand, 2008; Hinings & Greenwood, 2002; Khavul & Bruton, 2013), a plethora of organizations now seek to provide innovative solutions to global problems, in spite of many retaining their primary economic function to maximize shareholder returns (Margolis & Walsh, 2003). So far, the focus of studies has been on informal markets, where it is argued that firms can improve the lives of billions of people by selling affordable products, empowering them as suppliers, consumers and employees, (Kistruck, Beamish, Qureshi & Sutter, 2013; London and Hart, 2004; Prahalad, 2007). By linking 'universal' problems of organizing (such as task and resource allocation, reward distribution and information provision) with barriers to inclusive growth in informal market contexts (access, institutional voids, resource constraints and sociocultural factors), this dissertation identifies salient dimensions on which firms organize themselves to alleviate poverty in an enterprise-based market system.

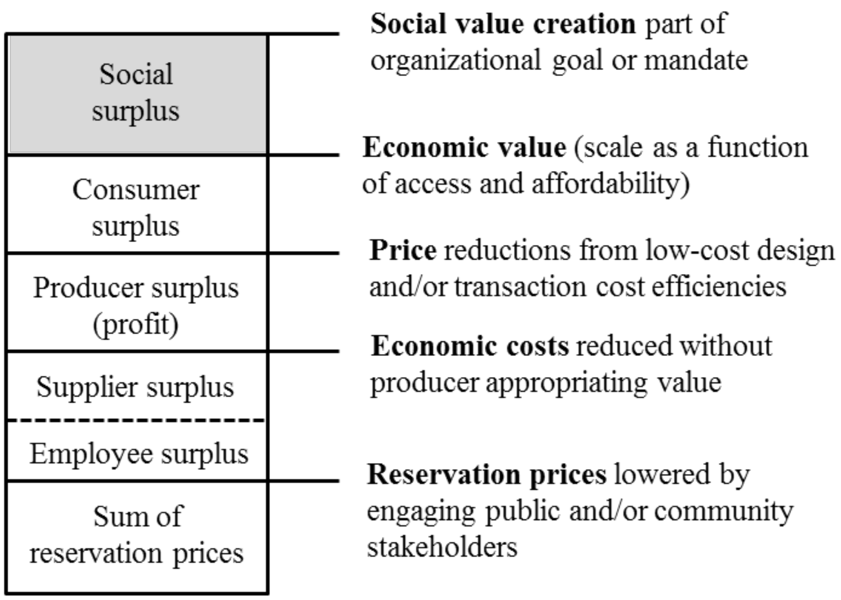
With this new perspective on inclusive innovation, my thesis joins recent discussions by several authors, that move beyond longstanding principles in welfare economics that emphasise the necessity of perfect competition for Pareto optimality or 'equilibrium', (characterised by many buyers, many sellers, perfect information and zero externalities, which are typically not present in informal market economies), and assume social welfare gains naturally occur with profit-maximizing goals. (Bridoux & Stoelhorst, 2016; Cobb, 2016; Hillman & Keim, 2001; Jones et al., 2016; Mitchell, Weaver, Agle, Bailey, & Carlson, 2016; Mitchell, Van Buren, Greenwood, & Freeman, 2015). This emergent literature argues that shareholders are not the sole claimants to residual economic gains, implied (by design) within the principal-agent model. Conversely, in a world of incomplete and implicit contracts, there can be multiple claimants – stakeholders (Klein, Mahoney, McGahan & Pitelis, 2012) whose lives and welfare are affected by managerial decisions (Jones et al., 2016). Building on the profit-making view that firms can 1) increase economic value and price while holding costs constant, 2) reduce input costs while holding economic value and price constant, and 3) increase/reduce price while holding economic value and inputs constant (Figure 15), these authors show how such actions can affect aggregate economic outcomes. Specifically explaining the participation of multiple corporate stakeholders – employees, suppliers, creditors, communities, in addition to customers and shareholders (Jones et al., 2016).

<u>Figure 15: Profit-making (left) and stakeholder (right) views of economic value</u>



Building on these economic and stakeholder perspectives to define a theory of inclusive innovation, my thesis links the organizational drivers of social value creation to firm activities and the stakeholders it serves. Firstly, it separates 'social surplus' as the benefit accrued to communities and the public at large, and specifies social value creation as an organizational goal or mandate upon which the firm is designed. This approach conceptualises social value creation as a function of managerial decisions to effect changes in aspects of the organizational design that lead to Pareto improvements (i.e. a change in the allocation of resources to a set of individuals that is an improvement for at least one and no worse for any other). For instance, as suggested in the economic view of profit-making, when price is held constant, reductions in input costs resulting from production (scale) and/or transaction cost efficiencies result in Pareto improvements provided the firm does not appropriate more value than the savings it creates. However, in base of the pyramid contexts, price reductions resulting from lowering (often prohibitively high) costs of participating in informal markets help to reduce two fundamental barriers to adoption – affordability and access. Hence social surplus is a function of price reductions that enable scale. Secondly, on the other end of the spectrum, by engaging public stakeholders (in the case of PPPs) or community stakeholders (in the case of cooperatives), it is possible to improve affordability and access by reducing the sum of reservation prices, defined on the demand side as the highest price that a buyer is willing to pay, or on the supply side, the lowest price at which a seller is willing to sell a good or service.

Figure 16: Organizational determinants of inclusive growth



Empirical analysis within my dissertation shows that by extending firm boundaries and encompassing a broader set of stakeholder preferences, it is possible to lower the cost of inputs (capital, resources), mitigate transaction costs of participating in informal market economies and improve access by lowering coordination costs in geographically dispersed settings, thus enabling the scale-up of inclusive innovations.

Theories of governance

Organization scholars and economists are becoming increasingly concerned with the question of what determines the boundaries between public and private activity as well as what are the social and economic implications of different governance choices (Hart, 2003; Mahoney, McGahan & Pitelis, 2009). Driven by the presence of positive externalities, resource complementarities and cost efficiencies, new and emerging forms of public-private collaborations are redefining governance in these two sectors (Kivleniece & Quelin, 2012). While much work has been done to understand the ideal preconditions (Rangan, Samii & Van Wassenhove, 2006) as well as governance attributes and inherent tensions between private rent-driven objectives and wider social welfare benefits (Margolis & Walsh, 2003), my thesis joins a narrow literature examining the underlying value-creation and capture mechanisms to address who benefits from these partnerships and how (Kivleniece & Quelin, 2012). Similarly, I explore how meta-organizations, comprising networks of multiple autonomous entities directed at achieving a common organizational goal (Gulati, Puranam & Tushman, 2012), and community-based organizations (cooperatives) govern internal transaction and coordination costs to deliver social value. Different organizational forms have been discussed in the context of inclusive innovation, such as partnerships with non-governmental organizations (NGOs) or charities providing viable access to remote communities (Jain & George, 2007). This thesis builds on current literature to provide insights into how organizational actors select among different governance alternatives and what determines their long-term performance.

Theories of coordination

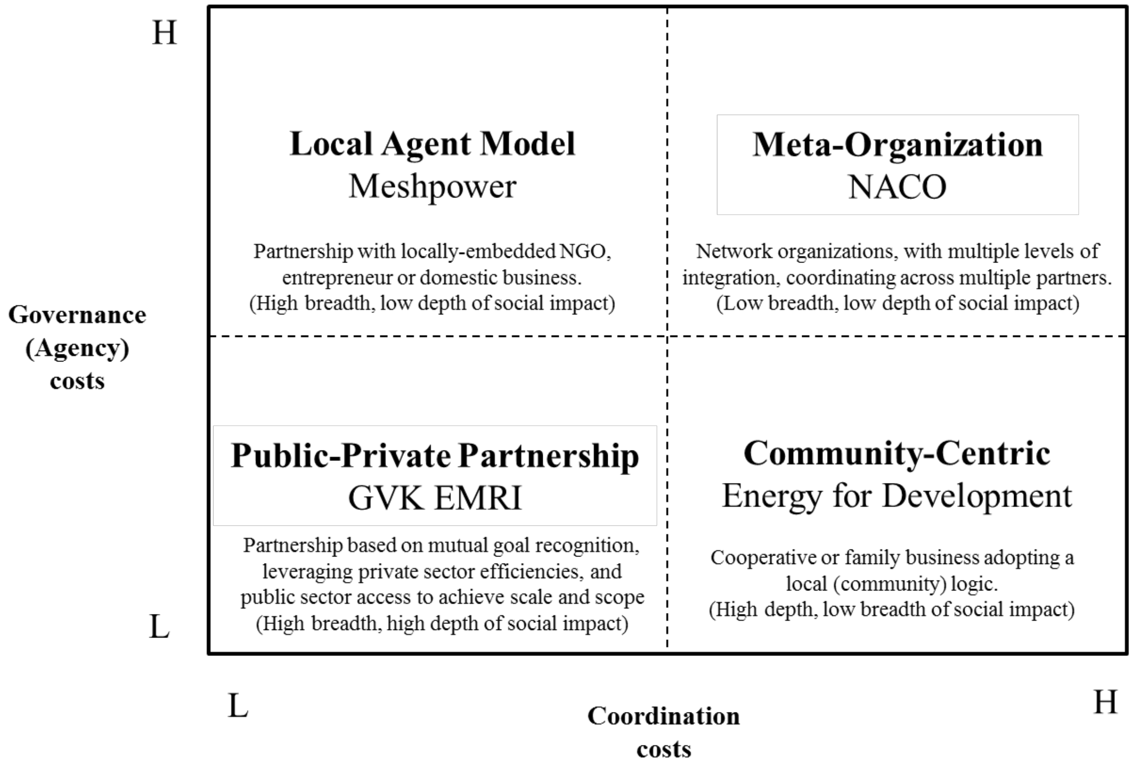
Geographic dispersion of rural communities in base of the pyramid markets and the lack of integration between institutional actors presents high coordination costs, which deters established firms from making investments as additional customers often incur an additional expense to the organization. This dissertation provides insights into how organizations can manage multi-party coordination and transaction costs in low-cost contexts through effective organization design. As the act of aligning the activities of parties engaged in joint action to achieve a desired outcome (e.g., Kotha, George & Srikanth, 2013), coordination costs tend to arise from misaligned incentives (Holmstrom & Milgrom, 1994) or the failure to transfer mutual knowledge across teams (Heath & Staudenmayer, 2000; Postrel, 2009). Team coordination is of particular concern to organizational scholars, and is an aspect of inclusive service delivery that I consider in detail where stigmatized client settings presents a barrier to both coordination and collaboration. Besides 'social coordination costs' arising from heterogeneous sociocultural attitudes, additional coordination costs arise due to the complex and fragmented nature of service delivery in BOP contexts, which require a large number of multi-skilled teams working together at different stages. Organizational scholars suggest these difficulties are exacerbated when specialists from different knowledge domains work together. This is also true when coordinating across sociocultural domains or geographies, which I explore through empirical case studies on public-private partnerships and local agent models contained in this dissertation. While PPPs have been characterised as social and knowledge bridges connecting isolated communities (McDermott, Corredoira, & Kruse, 2009), this dissertation contributes to research on network organizations, social enterprises and cooperatives, particularly the extent to which they represent a viable governance mode for coordinating inclusive services.

Organizational economics and social value creation

By observing how organizations operate in weak institutional environments, my thesis explores the process by which 'institutional costs' associated with informal market contexts, (George, Corbishley, Khayesi, Haas, & & Tihanyi, 2016; Ngobo & Fouda, 2012) can be designed around, mitigated or absorbed via organization design and extending firm boundaries. My three empirical studies identify a number of costs that deter private actors from operating in base of the pyramid markets, and contribute to the literature with an organization design framework that considers the economics of organization in low-cost contexts. These costs can be characterized as: 1) *Transaction costs* of participating in base of the pyramid markets, which are especially high due to geographical dispersion, market fragmentation and institutional voids; 2) *Governance or agency costs* arising from the need to form partnerships to gain access to resources outside the reach of the firm, which can also be associated with monitoring and enforcement costs when relying on contractual mechanisms in contexts of political volatility and unethical business practices (corruption, fraud, graft) and weak legal institutions; and 3) *Coordination costs* amongst managers and employees at an organizational level – particularly in the context of international business – also arising from heterogeneous sociocultural contexts, which create intra-organizational (amongst managers and employees) and inter-organizational coordination costs (across partners, suppliers) as well as social coordination costs arising from embedded values and social attitudes (such as stigma), prevalent within community contexts.

The dissertation contributes to literature on organizational economics by considering the coordination and agency costs associated with different governance modes, specifically the inherent trade-offs in the subsequent breadth (scale) and depth (impact) of social value creation. In Figure 17, I briefly evaluate the governance choices of four organizations featured in this dissertation to explore related trade-offs in organizational costs, social impact (defined as scale and scope of inclusive innovations) and organization design.

Figure 17. Organizational cost framework and implications for social value creation



7.2 Contributions to management and policy

The dissertation has important implications for management scholars and practitioners at the interface of organization, development and international business.

Chapter III outlines potential organizational tenets for fostering entrepreneurship in informal market economies. Specifically: (1) Be cheap: Not just at a product or resource level but at an organizational level by fostering a culture of low-cost innovation, (2) Partner up: Bridge access to complimentary assets and ensure exacting standards for service delivery through mutual incentives and expanding stakeholder relationships, and (3) Adapt to local contexts by acquiring local language resources and integrating local business practices. To organization designers confronted with the challenging realities of operating in low-cost contexts, both Chapter III and IV underscore viable alternatives to the multinational enterprise as a scalable model for commercializing social innovations, specifically via public-private partnerships and network organizations designed around inter-organizational and community contexts. EMRI is just one of many PPP examples whereby innovation, risk sharing and regulatory support have made possible inclusive innovations that bring substantial welfare benefits. A related example for delivering educational services in India is the Sakshat tablet, which successfully overcame access and coordination constraints of placing skilled teachers and standardized learning materials in local schools. By working alongside research institutions and private partners to develop the $35 Sakshat Tablet, the Government of India leveraged the development expertise of market-driven enterprises, the low-cost manufacturing capabilities of emerging market suppliers and the coordination and distribution access of the State to meet the goal of linking 25,000 colleges and 400 universities in a national e-learning program which aims to bridge the ‘digital divide between those children with internet access and those without.

Chapter V extends current research on business models for rural electrification and social enterprises doing business in base of the pyramid markets. By actively working with two social enterprises operating in Africa, implementing household surveys and devising a simulation for replication efforts in other parts of the developing world (Appendix 7), my research provides insights into building socially and economically sustainable business models in BOP markets. Energy for Development has enabled up to 3000 local people to benefit from electrical energy provided by the project. The school, health center, churches and the 40 businesses have round-the-clock stable electricity, allowing them to extend the working hours and provide additional services such as information technology training, tailoring, hair dressing as well as charging facilities which reflect the energy needs of local house establishes the feasibility of the formation of the co-operative society in Kitonyoni. The financial and business model demonstrates that the running and maintenance cost of the grid is adequately covered by the tariffs, whilst the tariffs charged for businesses and households are affordable**.** A brief assessment of the first year of operation suggests a clear transformation: Land prices have more than doubled, at least 5 new buildings have been completed, new businesses started, business income has in most cases more than doubled and a new donated maternity ward has been electrified. The main challenge for community-based initiatives is to reduce capital costs and embed such concepts and models in replication projects. The latter is now being done in a second project in Kenya, another in Cameroon with other projects being planned in Mozambique and across other parts of Africa. There is also strong interest from governments and the private sector to adopt E4D's approach, as well as from international funding agencies to provide substantial funding to support the concept at scale.

Finally, to policymakers, especially those focused on developing countries, practical contributions can be further unpacked into other constituent elements of scaling-up social innovations through risk-sharing and inclusive governance. Such case studies bring to relief the challenge of organizing in developing economic contexts: the challenge of scale, the challenge of coordination, and the challenge of sustainability. By seeking potential solutions, this dissertation highlights the importance of institutional entrepreneurship, particularly in contexts such as Africa where policy incentives to reduce risk and the cost of capital have the potential to dramatically reduce the infrastructure gap (Donovan, 2015). It also highlights the potential impact of new organizational forms, such as hybrid organizing and public-private partnerships for unlocking new opportunities in informal economic sectors.

7.3 Potential extensions

This dissertation opens up several opportunities for future research. First, the dissertation treats institutions as social constructions and normative patterns of behaviour that can be shaped by organizing activities and entrepreneurial agency, as opposed to constrained by institutional legacies (Greve & Rao, 2012). It studies the impact of organization design on existing systems of human activity, particular in the burgeoning context of public and private interests. Second, by examining the role of organization design in low-cost contexts, it reveals innovative ways that new organizational forms are structured to access informal economic sectors despite seemingly insurmountable challenges. In doing so the dissertation encourages future research that addresses these challenges, not just as an effort at capturing best practices, but to identify causality, contingencies, and the boundary conditions for when inclusive innovation occurs, and how such innovations can enfranchise the impoverished. Finally, the dissertation highlights the importance of new market contexts, especially Africa (Chapter VI) for testing and extending existing management theory. By moving closer to a theory of inclusive innovation, particularly in enhancing the capacity of organizations to realise social and economic objectives, there is still much work to be done on understanding the process of social value creation, and greater efforts made to measure ‘inclusiveness’ (i.e. social welfare impact) as a performance outcome and dependent variable.

In conclusion, the dissertation seeks to contribute to management literature by conceptualising social value creation as an organization design problem. Through empirical analysis of four organizations in base of the pyramid contexts, I show the potential of the organization design perspective in analysing firm scope and structure, and in extending market contexts in which to test and develop existing theories of governance and coordination. I hope these efforts will deepen our understanding of organizations, differentiation and integration to low-cost contexts, and motivate future research that further unfolds the rich and complex reality of organizing for inclusive growth.

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