Causation, effectuation and bricolage shifts in the context of social entrepreneurship

1. Introduction

There is growing interest in social entrepreneurship research and its associated entrepreneurial processes (Austin et al., 2006; Mair and Marti, 2006; Chell 2007; Perrini et al., 2010). In entrepreneurship literature, alternative theoretical perspectives for describing entrepreneurial action have emerged: bricolage and effectuation as opposed to causation (Sarasvathy, 2001). Those perspectives are not exclusive. They cohabit and alternate during the entrepreneurial process as highlighted by Desa and Basu (2013) and Fisher (2012).

However, we know little about how the mix of causation and bricolage changes over a particular venture's life cycle and the factors responsible for such shifts in strategy.

The purpose of this study is to examine, through a longitudinal case study those approaches to the entrepreneurial process and its alternations, in the context of social entrepreneurship.

The interest of this study is that it gives important insights for entrepreneurs on how to act and take decisions during the process of venture creation, from the conception to its growth and replication, in order to successfully achieve their purpose.

This paper is structured in the following manner: first, the theory and literature related to each of the addressed theoretical approaches is briefly reviewed. Then, we outline the research method and data used in this research and present the findings that emerged from the analysis of the longitudinal case study. The final section outlines the conclusions and implications of this research.

2. Literature Review: Causation Logic, Effectual Logic, and Bricolage

2.1. Causation logic

The theoretical foundations for the causation logic derive from the rational decision making perspectives of neo-classical micro-economics (Stigler, 1952). In a causation process an individual makes rational choices based on all the possible information relevant to his decision and an estimated expected utility for each option (Viale, 1992). According to Sarasvathy (2001: 251), the underlying logic is, "To the extent we can predict the future, we can control it."

Much of the existing entrepreneurship literature and entrepreneurship pedagogical methods have their theoretical foundations in the causation approach. It indicates that the discovery of an opportunity starts by gathering relevant information about the needs of the customer. Fiet (2002) suggests that opportunity detection results from a rational search process in which gaps are identified and analyzed. Entrepreneurial opportunities are driven by exogenous forces, and the role of the entrepreneur is to examine the environment and existing projects in the marketplace, utilize a sequential screening process, and map possible scenarios for acting in response to it (Casson and Wadeson, 2007). These scenarios must integrate the financial projections that the firm will be addressing in the short and the long run, and so, the economic and social value may be calculated among the various opportunities it presents. The alternative with the highest expected return is selected and implemented according to a vision and a Business Plan. Resources are not given, and must be acquired and organized according to the plan.

Thus, entrepreneurial rents accrue to individuals with superior search and implementation skills (Caplan, 1999). The table 1, extracted from Fisher (2012), synthesizes the behavioural indicators that characterize the causation logic of the entrepreneurial process.

Insert Table 1 about here

2.2. Effectual logic

Sarasvathy (2001) exposed that not all entrepreneurial processes are structured or planned previously; they can be the result of an experimentation process or a response to unplanned opportunities as they arise, generally through interaction with different stakeholders who bring new means and visions into the scheme. She named it the effectual logic. Effectuators follow an emergent strategy, seeking to adjust their actions to the unexpected changes presented in the environment.

The effectual frame can be condensed into five principles: means orientation, affordable loss, building partnerships, leveraging contingency and agent of change (Drew et al., 2009 ; Sarasvathy et al., 2013). First, while the causation processes follow a particular effect, the process of effectuation allows the entrepreneurs to create one or more possible effects. Entrepreneurs following an effectual logic process take a set of means at hand (whatever is at hand, who they are, what they know and who they know) and focus on selecting among possible effects that can be created with that set of means (Sarasvathy, 2001).

Second, the logic for decision making rests upon what the entrepreneur is willing to lose, and not according to its expected returns. Third, the effectual frame proposes that partnerships stimulate the entrepreneurial process, they reduce uncertainty in the competitive environment and help the venture to leverage their capabilities and resources. Fourth, instead of avoiding contingencies, effectual processes try to turn unexpected events into opportunities to make new strategic choices. Fifth, the effectual entrepreneur understands that the environment is dynamic, and acts as an agent of change that generates and sustains social value without being limited by resources in hand. Table 2 synthesizes the underlying behaviours that characterize the effectual logic.

Insert Table 2 about here

2.3. Bricolage

Similar, but differently from Effectuation, bricolage is an entrepreneurial perspective guided by action-driven processes. “Bricolage appears to create a forum in which organizational improvisation, creativity, social skills, combinative capabilities, and other characteristics are called into play and are likely to have a substantial impact on firm outcomes.” (Baker & Nelson, 2005, p. 35). Its basis lays on five approaches: Making Do, Improvisation, Social Value Creation, Stakeholders Participation and Persuasion (Di Domenico et al., 2010).

First, Bricolage perspective can be understood as “making do by applying combinations of resources at hand to new problems and opportunities” (Baker & Nelson, 2005: 333). Instead of looking for new resources to work on, the bricoleur creates new solutions from forgotten, discarded or unused resources that are assumed to have a “single application”. By reusing and combining existing resources, they propose other uses than the ones they were originally designed for, and create solutions. Second, bricolage rests on the improvisational method, where trial-and-error work processes suggest that the analysis may not be formally conducted (Hindle, 2010). By adapting the internal factors of the venture for it to overpass the external ones, the improvisational actions result in the unconventional way of “following the rules”, as they try to re-do what is already done.

Third, the Social Value Creation underlies the need to generate a dynamic response to resource scarcity, solving a problem and adding value to a concrete community. Forth, Stakeholders Participation is a tool to generate new ideas regarding management and entrepreneurial strategies and an important input for the well-performance of the venture. Fifth, the persuasion process rests on the concrete illustration of social values as friendship, trust or empathy in order to influence new actors to act along the entrepreneurial process. Table 3 summarizes the recently exposed behavior underlying bricolage.

Insert Table 3 about here

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3. Method

Following Stake's classification (1995), we chose an instrumental longitudinal case study in order to gain insights on the entrepreneurial process in a social entrepreneurial context. Tiempo de Juego is a non-profit Colombian organization in the poverty-stricken area of Cazuca that subsequently addresses key factors affecting social development dynamics. The social venture promotes sports and cultural activities to address serious issues affecting young people (drugs, gangs, teenage pregnancy, etc.). Within ten years of its existence, it has benefited more than a thousand children and teenagers and the foundation has been replicated at a national level.

The data collection was conducted over a 4-year period. First, we identified archival documents to capture the factual elements necessary to identify different types of behaviours that needed data collection and analysis. The x archival documents collectively spanned the three episodes of TJ development from 2005 to 2015. One set consisted of publicly available materials regarding the story and mission of the foundation; i.e., book, videos from the foundation's web site or videos which were found on Y-Tube, and articles within the general media. Moreover, many of the archival documents contained direct quotes by the founder himself and were spaced over the years of his involvement in TJ. The examination of the data was inspired on the theoretical grids created by Fisher (2012) and developed in the previous section. For this, we used textual analysis: we wrote down key words for each behaviour on causation, bricolage and effectuation.

Second, interviews were carried out with the founder, a variety of volunteers and other stakeholders (public organisations, politicians and educational institutions). We understood the foundation's characteristics, main activities and their evolution in the one hand (interviews held between 2011-2013), and to validate causation, effectual or bricolage behaviours (interviews held in 2014 and 2015). In the third step, we were constantly moving between the data and prior literature, using existing concepts and theories on the three behaviours to interpret our data.

4. Results

4.1. Entrepreneurial behaviours during emergence of TJ (2005 – 2006)

During the emergence stage of Tiempo de Juego, we observe that bricolage is the dominant entrepreneurial approach. In order to solve the spare time wasting problem of teenagers in Cazuca, Wiesner, the entrepreneur, experimented to offer ~~to~~ a group of children to play football. He re-used the method of Footbal 4 peace, invented for street football championship and adapted it to the trainings. The first training field was an abandoned one. He empowered the children of their process.

The case also shows evidences of effectual process at this stage of the entrepreneurial process. As described by the effectual logic, Andrés Wiesner began his entrepreneurial process with *who* he was (a passionate football fan), *what* he knew (the 'football 4 peace' method) and *whom* he knew (the foundation *Pies Descalzos* which was already present in the district, his friends and professional network). With no previous planning, he took his football shoes and asked the foundation *Pies Descalzos*[1] for help to gather a group of twenty young people and find a field where they could practice. He thought that football could be a fun activity that would attract young people during their free time. Wiesner chose the training method of 'Football 4 peace' that he had heard about. The method provided the opportunity to work on values, to teach young people how to socialize and to provide important lessons in how to win and how to lose.

There is no evidence of causation process at this stage of the entrepreneurial process, except the fact that the entrepreneur identified the opportunity of creating social value from

[1] This foundation, created by the singer star Shakira, was the only external presence in the zone. It works on education and builds schools in Colombian districts where state was missing.

gathering information from its future beneficiaries. However, he was covering the everyday life of five teenagers, though it was not a rational search process. It is clear that the decision for venturing wasn't evaluated according to profit potential benefits and that his aim was to solve a social problem.

4.2. Entrepreneurial behaviours during growth stage of TJ (2007-2009)

Once again, during this stage of the entrepreneurial process, the dominant approach has been the effectual and the bricolage one. The entrepreneurs are open to unplanned opportunity and are oriented toward the social problem solution. They work with resources at hand, leverage the organization of the foundation on their personal network and the involvement of the community in the everyday life of the foundation is part of its success.

The case shows behaviours relative to the causation approach. Based on the first successful results, the entrepreneur began to build a vision and share a dream of giving those children a better life. He created a board of directors, with the participation of experts of strategy and with whom strategic goals where discussed. The method has been structured with specific rules. The project was settled into a business plan in order to create new revenue streams through cooperation.

However, the case also reveals that all the indicators of causation behaviour are the result of an effectual process in which new stakeholders bring the ability to think strategically, to focus on strategic goals, to settle down the vision and the projects in a plan in order to capture external founds. The gathering of information is not the result of a formal process.

4.3. Entrepreneurial behaviours during the replication and sustainability stage (2010-2013)

The third stage of the entrepreneurial process is a stage of institutionalisation and of formalisation of the processes. The entrepreneur clearly follows a causation behaviour for the consolidation and orientation of main purposes of the foundations. However, we found that every new project that needed entrepreneurial abilities was achieved thanks to effectual and bricolage behaviours.

5. Discussion

The case clearly shows that bricolage, effectuation and causation are complementary. Bricolage and effectuation are necessary behaviours for making things happen. Causation (planning) is a necessary approach for resource leveraging through cooperation, for generating a shared vision/dream and for the generation of a logic and strategic orientation of the use of resources and achieving higher performance (social impact).

The first contribution of the study is conceptual. We contribute to the understanding of the entrepreneurial process and main behaviours. Sarasvathy demonstrated the effectual logic in traditional economic contexts. Here, we show that the effectual logic is not the only approach in a social entrepreneurial context and that a mixture with other behaviours is the reality of the everyday of the entrepreneur.

This research also has notable practical implications for social entrepreneurs, policy makers and regional developers. Empirical studies showing social entrepreneurial processes are rare (Corner and Ho, 2010). This study constitutes an example of best practices in SE contexts and how to manage equilibrium between emerging behaviours and planning.

This study was done in the context of Colombia, a Latin-American emerging country. Although the results are inspiring for social entrepreneurs, policy makers and regional developers, the main limitationsof the study are the transferability of the results to other cultures and countries. This investigation opens a new agenda for research since the replication of case studies could lead to theory building around social entrepreneurship processes.

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Table 1 - Behaviors underlying Causation Logic (extracted from Fisher, 2012)

• **Identifies an opportunity before developing anything:** – Gathers information about customer needs to identify a gap – Analyzes technological trends
• **Identifies and assesses long-run opportunities in developing the firm:** – Maps out (writes up and discusses) scenarios for the firm's future – Creates and compares financial projections for firm growth
• **Calculates the returns of various opportunities:** – Conducts net present value analysis or probability analysis to choose between various alternatives
• **Develops a business plan:** – Produces a written business plan document – Presents a business plan to external audience
• **Organizes and implements control processes:** – Establishes an internal reporting structure (management accounts and monthly reporting) – Designs and implements a clear organizational structure
• **Gathers and reviews information about market size and growth:** – Gathers data about the market – Interviews potential customers
• **Gathers information about competitors and analyzes their offerings:** – Gathers data about competitors – Analyzes data about competitors – Uses data about competitors as an input into key decisions
• **Expresses a vision and/or goals for the venture:** – Articulates a vision or goal – Holds strategic sessions in which goals are discussed
• **Develops a project plan to develop the product and/or services:** – Produces a project plan – Monitors product and market development in relation to a project plan
• **Writes up a marketing plan for taking the products/services to market:** – Produces a marketing plan – Implements and monitors marketing activities in accordance with a marketing plan

Table 2 - Behaviors underlying Effectuation Logic (extracted from Fisher, 2012)

Experimentation	• **Develops multiple variations of a product or service to arrive at a commercial offering:** – Creation of multiple different product prototypes – Delivering different services in the process of finding an offering
	• **Experiments with different ways to sell and/or deliver a product or service:** – Use of different distribution channels – Use of different revenue models
	• **Changes the product or service substantially as the venture develops**
Affordable loss	• **Commits only limited amounts of resources to the venture at a time:** – Seeks out ways of doing things in inexpensive ways
	• **Limits the resources committed to the venture in to what could be lost:** Develops product or service using only personal resources
Flexibility	• **Responds to unplanned opportunities as they arise:** – Rapidly changes the offering or revenue model of the venture as new opportunities arise
	• **Adapts what they are doing to the resources on hand:** – Focuses on what is readily available when deciding on a course of action
	• **Avoids courses of action that restrict flexibility and adaptability:** – Consciously rejects courses of action that will lock them in (relationships or investments)
Precommitments	• **Enters into agreements with customers, suppliers, and other organizations:** – Negotiates with other parties prior to having a fully developed product or service

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Table 3 - Behaviors underlying Bricolage Perspective (extracted from Fisher, 2012)

Bricolage definition	• **Takes identifiable action to solve problems:** – Experiments to solve problems (instead of trying to figure it out conceptually)
	• **Combines existing resources in creating solutions:** – Uses goods on hand to create solutions to solve problems – Uses readily available skills to create solutions to solve problems – Uses existing contacts to create solutions to solve problems
	• **Reuses resources for purposes other than those for which they were originally designed.**
	• **Uses existing resources** (rather than seeking resources from outside).
Bricolage domains	• **Uses forgotten, discarded, worn, or presumed "single-application" materials to create new solutions** (physical inputs): – Uses physical goods for surprising purposes
	• **Involves customers, suppliers, and hangers-on in projects** (labor inputs): – Regularly interacts with other stakeholders (physical presence at the venture; online interaction)
	• **Encourages the use of amateur and self-taught skills that would otherwise go unapplied** (skills inputs).
	• **Works around rules and standards** (institutional environment): – Does things that surprise people, e.g., bumping up against norms or laws