

# Social Enterprise Referents: How Social Enterprises Help Organize Nascent Fields to Address Complex Societal Problems

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**ABSTRACT** Addressing societal challenges requires engaging diverse actors, but clashes between social and commercial interests often hinder coordination. In established fields, conflicting social interests can be integrated by challenging dominant commercial positions and rallying powerful actors. However, creating new fields without established actors and coordination mechanisms is more complex, especially when interests conflict. We explore this challenge through the development of reusable containers for takeaway food and beverages, where incompatible perspectives initially led to a field impasse. A pioneering social enterprise blending commercial and social interests emerged as a referent, facilitating collaboration and breaking the impasse. After initial field organizing succeeded, regulatory changes and increased demand exposed the shortcomings of early solutions, leading to setbacks. New social enterprises developed solutions to fill supply–demand gaps, anchoring new models in a market and driving both standardization and innovation. We introduce the concept of ‘social enterprise referents’ to highlight their essential role in organizing nascent fields to address complex societal issues. Without these referents, models for building new fields struggle to take hold. Successfully transitioning from an underorganized to an organized field requires sustained efforts from multiple social enterprise referents to anchor solutions in a market and uphold collaboration with field actors.

**Keywords:** social enterprises, nascent field, conflicting interests, complex societal problems, systems theory

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## INTRODUCTION

A major societal challenge is the accumulation and mismanagement of waste on a global scale (George et al., 2016; Howard-Grenville et al., 2014). As populations and economic activities proliferate, so does the volume of waste generated (George et al., 2015). In Germany alone, the consumption of disposable cups for takeaway beverages has surged by 500 per cent over the past two decades (Federation of German Consumer Organizations, 2021). Although the problem is widely recognized, coordination efforts to promote waste reduction, recycling, and new circular economy models focused on reuse have stalled due to conflicts between the social and commercial interests of key field actors (Lounsbury et al., 2003; Patala et al., 2022).

Social enterprises adopt models that integrate social and commercial goals (Doherty et al., 2014; Pache and Thornton, 2020), as seen in fields such as microfinance (Battilana and Dorado, 2010), renewable energy (York et al., 2016), locally produced food (Hedberg and Lounsbury, 2021), and waste recycling (Lounsbury et al., 2003). These models' potential to tackle societal problems increases if they diffuse within a field (Battilana et al., 2017; Bergman, 2017; McMullen, 2018). In organized fields like energy production, this process is supported by existing coordination mechanisms such as rules and norms (York et al., 2016; Zietsma et al., 2017) and involves challenging and transforming dominant commercial interests by mobilizing powerful actors (Hedberg and Lounsbury, 2021; Lounsbury et al., 2003) to incorporate renewable forms of energy (York et al., 2016).

However, addressing many societal challenges requires creating entirely new models that integrate social and commercial interests in nascent fields without established coordination mechanisms (Hoffman, 1999; Maguire et al., 2004; Purdy and Gray, 2009). This requires engaging fragmented actors who may recognize a common problem, but have conflicting interests (Buchanan et al., 2023; Greenwood et al., 2011; Zietsma et al., 2017). In such underorganized fields (Trist, 1983), actors struggle to take coordinated action due to uncertainty about others' goals and intentions, especially when interests conflict (Luhmann, 1995). This surfaces a crucial question: *How are nascent fields with conflicting interests organized, and what role do social enterprises play in this process?*

Our embedded case study (Ozcan et al., 2017) traces the 6-year evolution of reusable containers for takeaway food and beverages aimed at addressing Germany's waste problem. Initially, the field stagnated due to conflicting interests among businesses, politicians, waste authorities, and environmental organizations, leading to poor coordination. A social enterprise addressed this field impasse by developing a model for reusable containers, which served as a practical template for organizing the reusable container system and a reference point for various actors to support and engage in the development of a reusable container system while still pursuing their own interests. When temporary interactions and experimentation caused setbacks, new social enterprises helped organize the field to embrace the new model.

This research emphasizes the critical role of 'social enterprise referents' in reconciling divergent interests and organizing nascent fields around new models to address complex societal problems (e.g., inconsistent labour standards, environmental degradation, income instability, and inadequate worker protections). We contribute to understanding

how field organizing, despite conflicting interests and the absence of established actors, models, or coordination mechanisms, relies on continuous engagement among diverse actors (Hoffman, 1999; Purdy and Gray, 2009; Trist, 1983), especially those that bridge social and commercial interests (Battilana and Dorado, 2010; Battilana et al., 2017; Pache and Thornton, 2020). Social enterprise referents play a crucial role in (a) overcoming initial field impasses and organizing nascent fields by bridging conflicting interests and enabling collaboration to drive the adoption of new models and (b) anchoring solutions in markets when setbacks occur, ensuring the sustained progress necessary to transition to an organized field.

## LITERATURE REVIEW

### Organized and Underorganized Fields

Our research focuses on fields (Buchanan et al., 2023; Zietsma et al., 2017) where actors regularly interact based on a shared understanding of specific issues (Hoffman, 1999; Scott, 2008), but may have conflicting interests (Purdy and Gray, 2009; Thornton et al., 2012). Scholars classify fields by their level of organization, which influences how actions are coordinated within them (Buchanan et al., 2023; Greenwood et al., 2011). Organized fields are governed by common institutional rules and norms that guide field actors' practices (Fligstein and McAdam, 2012). Powerful actors and regulatory frameworks often promote certain interests and practices as dominant and successful, particularly the commercial interests and practices of powerful corporations (Reay and Hinings, 2005; Thornton, 2002; Thornton and Ocasio, 1999).

In underorganized fields, which typically lack these shared rules and values (Hoffman, 1999; Maguire et al., 2004), actors with different (often, conflicting) interests seek to address the same issues, and coordination efforts involve negotiating, organizing, or competing to establish meanings and practices (Trist, 1983; Wooten and Hoffman, 2008; Zietsma et al., 2017). As the same problem carries different meanings for different actors, it is more common to encounter multiple and conflicting viewpoints rather than a single, unified perspective. As a result, nascent underorganized fields tend to be more contested and dynamic than established organized fields (O'Sullivan and O'Dwyer, 2015), even though they may become settled and organized over time (Scott, 2008). Field boundaries and stable networks of interactions are still being established, influenced by field entries and exits of multiple actors and interests, related power dynamics and experimentation with new models (Battilana et al., 2009; Purdy and Gray, 2009).

### Integrating Commercial and Social Goals in Organized Fields

Commercial interests, goals, and practices often clash with social interests that emphasize environmental and societal benefits. In established fields, the process of integrating social interests often requires challenging dominant commercial interests resistant to change (Marquis and Lounsbury, 2007; Pache and Thornton, 2020; York et al., 2016).

Examples include the integration of renewable energy in the energy sector (York et al., 2016), recycling in waste management (Lounsbury et al., 2003), local food in the food industry (Hedberg and Lounsbury, 2021), and labour standards in supply chains (Schüßler et al., 2023). For example, York et al. (2016) examined how clean energy organizations were integrated into Colorado's energy sector, Hedberg and Lounsbury (2021) explored the scaling of local food procurement, and Lounsbury et al. (2003) demonstrated how recycling replaced incineration as the dominant waste management practice. Integrating social interests typically involves dismantling established commercial practices (Lounsbury et al., 2003), aligning social goals with economic priorities (Hedberg and Lounsbury, 2021), and introducing regulations that facilitate the integration of social and environmental standards (Ansari et al., 2013; Schüßler et al., 2023). For example, Schüßler et al. (2023) showed that in competitive sectors like the global apparel industry, labour standards require a legislative shift that prioritizes social over commercial goals to establish lasting social standards.

While these findings have advanced our understanding of integrating commercial and social goals in organized fields, they may not be applicable to underorganized fields where models are often underdeveloped, and regulation is rare due to the early stages of development. Thus, the integration of commercial and social goals is likely more complex, requiring extensive negotiation, experimentation, and coordination among fragmented actors. Although social enterprises are recognized as crucial for developing innovative solutions, how organizing and coordinating such efforts takes place remains unclear (Battilana et al., 2017; Bergman, 2017).

### **Integrating Commercial and Social Goals in Underorganized Fields**

Literature on organizing nascent fields, marked by conflicting interests and goals, is limited. However, we can approach the question of how these fields can be organized by drawing on theoretical insights from institutional and systems theory. In underorganized fields, actors often share a common problem but lack established templates, rules, and values, leading to negotiation or competition over meanings shaped by different interests (Trist, 1983; Wooten and Hoffman, 2008; Zietsma et al., 2017). Organizations interpret these problems according to the logics of the systems they operate in – such as law, science, politics, or the economy (Friedland and Alford, 1991; Thornton et al., 2012). This diversity becomes evident when addressing societal problems, resulting in varied and often conflicting approaches (Reay and Hinings, 2009). For example, businesses might frame societal issues in terms of costs and profits, while political organizations might focus on votes and power (Luhmann, 1995; Wright and Nyberg, 2017).

In nascent fields, boundaries and stable networks gradually develop through interactions with new entrants and emerging models (Scott, 2008). Niklas Luhmann's social systems theory offers an approach to understanding the dynamic and nuanced processes shaping these field interactions (Cornelissen and Werner, 2014; Purdy et al., 2019; Wadhvani, 2018) by viewing society as a collection of social systems – similar to logics – in which actors enable and structure communication based on the codes (logics) of their systems (Deroy and Clegg, 2015; Luhmann, 1989, 1995).

Although they are basically bound to the logic of the system they operate in, they can also engage with other logics and adopt them through interactions (Schneider et al., 2017; Seidl and Becker, 2006). For example, a company integrating legal regulations (law system) into its corporate processes (business system) demonstrates multi-referentiality and bridges different logics (Besio and Meyer, 2015; Seidl, 2005; Stichweh, 2015). This is similar to Trist's (1983) argument that referent organizations can align the interests of disparate actors within a field to resolve coordination problems and integrate different logics.

However, Luhmann (1995) highlighted the challenges actors face in taking meaningful actions due to uncertainty about each other's intentions and expectations – a situation he refers to as 'double contingency', which is particularly acute when different logics are at play. In new markets, for instance, the absence of established supply and demand structures exacerbates this challenge. Double contingency emerges because, on one hand, a sustainable product concept requires sufficient demand, while on the other hand, generating demand is difficult without an existing and viable product in the market. This creates a circular dilemma that hinders coordination and market development. Overcoming double contingency requires an initial action by one actor that creates opportunities for resonance, allowing others to respond (Luhmann, 1995) – such as an entrepreneur entering a field and creating new opportunities for engagement. This dynamic is crucial for sustaining new models in an underorganized field, but it remains unclear how this process unfolds and whether organizations manage to integrate conflicting interests or continue operating within their dominant logic. Therefore, we ask the following: *How are nascent fields with conflicting interests organized and what role do social enterprises play in this process?*

## CONTEXT AND METHODS

### Research Context

Our case study explores the development of reusable containers for takeaway food and beverages in Germany, commencing in 2015 when the field was in its infancy. At the time, there was growing public demand, but no solution to the waste problem associated with single-use takeaway containers. Numerous political, market, and environmental stakeholders with divergent agendas attempted to address the issue (see Table I). Despite these efforts, however, a coordinated approach, formal standards and regulations, and practical solutions remained elusive, underscoring the richness of the context for exploring the organization of nascent fields.

In Germany, awareness of the waste issue has escalated alongside a dramatic, 500 per cent surge in the consumption of disposable cups for takeaway beverages over the past two decades (Federation of German Consumer Organizations, 2021). Annually, approximately 2.8 billion hot drinks are served in disposable cups, resulting in 28,000 tons of waste per year. The explosion in waste from single-use packaging has been compounded by the surge in takeaway food consumption since the onset of the COVID-19 pandemic (German Environment Agency, 2022). In response,

Table I. Field-level actors

<i>Actors</i>	<i>Who they are</i>	<i>Role</i>	<i>System's objectives</i>
Political actors	<b>European Commission (EC)</b> oversees European Waste Framework Directive (2008/98/EC) and formulates supranational waste and environment policy goals	Develops supranational legislation for ecological and waste issues that require a coordinated effort by EU countries	Represents EU interests
	The <b>Federal Government of Germany</b> formulates national waste and environment policy goals and appoints the Federal Ministry of Environment	Sets priorities, transposes EU laws, enacts national laws, oversees strategic planning, information and public relations, and defines requirements for waste facilities	Political subsystem, secure votes
	<b>State governments</b> in Germany have their own national constitutions, parliaments, administrative structures, and competences	Adopt their own waste management acts with regulations to supplement the national law pertaining to regional waste management and disposal requirements	Political subsystem, secure votes
Market actors	<b>Food/beverage providers</b> meet market/ consumer demand for takeaway food/ beverages	Providers of takeaway food/ beverages in disposable packaging and contributors to waste production	Economic subsystem, increase returns
	<b>Industry associations</b> representing the interests of food service businesses	Represent the broader interest of market participants	Economic subsystem, secure legitimacy and membership fees
	<b>Reusable system providers</b> offer reuse system to takeaway food/beverage providers	Implement reusable solutions in the market	Hybrid subsystem, reduce waste, fees from food/beverage providers
Environmental actors	<b>Waste authorities</b> are responsible for implementing waste management	Tasked with collecting household waste, operating waste disposal facilities, and implementing measures to promote waste prevention	Administrative subsystem, organize and reduce waste
	<b>Environmental organizations</b> monitor national and communal waste management	Work closely with political and business actors on ecological problem definition and solution development	Social subsystem, represent ecological interests in society
	<b>Environmental activists</b> , for example, the Fridays for Future movement	Strike to generate public attention, shape discourse, and put environmental issues on the political agenda	Social subsystem, represent ecological interests in society

several social enterprises have emerged, spearheading efforts to develop reusable takeaway containers. Among these pioneers is CIRCLE (pseudonym), founded in 2016, which embraced the circular economy principle of reuse over single use (e.g., Patala et al., 2022), integrating the social and commercial logics to reduce waste while generating revenue within a hybrid model.

While there was initially no market for reusable containers for takeaway food and beverages, CIRCLE helped establish a new market from 2016 to 2022, involving various players in market development (see Table II). Organizations and industry associations involved in takeaway food and beverage production and distribution played pivotal roles as both users and producers of takeaway packaging. Historically reliant on single-use packaging, their readiness to transition to reusable containers varied, typically due to economic considerations. On the political front, waste management in Germany is regulated by entities at the international, national, and federal state levels. Waste collection, disposal, and prevention fall under the jurisdiction of federal states and local public waste disposal authorities (European Environment Agency, 2013). National and local policymakers contribute to waste reduction and prevention through regulatory measures and public communication in response to demands from citizens and constituents. Environmental organizations and activists raise awareness about the ecological ramifications of escalating waste volumes. This diverse array of actors piqued our interest in understanding how the underorganized field for reusable solutions was structured.

### Data Collection

Our study leverages data collected from a diverse array of primary and secondary sources between August 2016 and December 2022. Employing a triangulation approach, we integrated retrospective insights from interviews and secondary data with real-time observations to bolster the robustness of our findings.

We conducted 77 semi-structured interviews with a broad range of actors involved in building the new market for reusable takeaway containers, including the first and largest start-up social enterprise in the field, CIRCLE, as well as its commercial and social partners, representatives of ministries and government authorities, and environmental organizations. Our interview inquiries aimed to elucidate CIRCLE's hybrid mission, trace the evolution of the field, and discern the motivations driving field actors to collaborate with CIRCLE and other start-up social enterprises in developing a new market for reusable takeaway containers.

We also spent 28.4 hours observing field events, including conferences and informational meetings focused on the evolving market for reusable takeaway containers and pertinent implementation challenges. Among others, we observed a hearing of providers and users of reusable takeaway containers in the Berlin Senate, and a discussion between CIRCLE's founders and the Minister for the Environment about single-use packaging regulations. These observations enabled us to document how different actors worked together in real time.

We also collected secondary data comprising CIRCLE's external communications on social media (1189 Instagram and website posts), 41 (trans-)national policy documents

Table II. Summary of data sources

<i>Data</i>	<i>Amount</i>
<b>Interviews (Number of interviewees)</b>	<b>77 interviews</b>
CIRCLE	
Founders (2)	9 interviews
Managers (5)	14 interviews
Investors (2)	2 interviews
Network	
B2B-partners (20)	21 interviews
Municipalities (8)	14 interviews
Politicians (6)	6 interviews
Environmental organizations (6)	6 interviews
Other social enterprises (1)	1 interview
Restaurant/food service associations (3)	3 interviews
German Environment Agency (1)	1 interview
<b>Observations (Number of events observed)</b>	<b>28 hours 40 minutes</b>
Conferences (3)	17 hours 40 minutes
Information events (5)	6 hours
Social media events (8)	5 hours
<b>Secondary data</b>	<b>1560 documents</b>
CIRCLE data: 1037 social media posts +152 company documents (website information, blog posts, press kits, marketing brochures, and business reports)	1189
Discourse data: 41 policy documents +330 media articles	371

and 330 German newspaper articles, which enabled us to develop a solid understanding of the waste discourse in Germany.

## Data Analysis

Our data analysis followed an open-ended iterative process as we moved back and forth between our data, the literature, and emerging theoretical insights (Sætre and Van de Ven, 2021). Our analysis proceeded in four steps, summarized below (see Table III for further details).

First, we developed a thick narrative of the key actors, events, and issues (Geertz, 1973). Second, we used temporal bracketing (Langley, 1999) to reconstruct two distinct market development episodes. Episode 1, from August 2016 to December 2018, was characterized by market development, including CIRCLE's founding and launch of reusable products with initial partners. Episode 2, from January 2019 to December 2022, was characterized by market growth, including the expansion of CIRCLE's network, the entry of competitors into the nascent market, and the introduction of regulations.

Third, building on our thick narrative and having identified these distinct episodes, we openly coded data for actions and interactions relevant to establishing the market for reusable takeaway containers (Corbin and Strauss, 2015). We found that at the macro level, social discourse and political programs shaped market development, whereas at the field level, different actors were intermittently involved in market development. Upon closer examination, we found that these differences were tied to the presence or absence of social enterprises with reusable container solutions in the field. We found that actors were unable to take action in the absence of a market for reusable takeaway containers, and the entry of social enterprises helped establish such a market to overcome the impasse.

Drawing upon insights from systems theory, particularly the concepts of ‘double contingency’ and ‘multi-referentiality’ (Luhmann, 1995), we synthesized our observations into overarching themes (Sætre and Van de Ven, 2021): *Societal discourse* and *political programs* to describe the societal context; *field impasse* and *field setback* to capture instances of inaction prior to the emergence of solutions; *social enterprise referents* and *social enterprise market* to describe the role of social enterprises in building the market for reusable takeaway containers by facilitating interactions among different actors; *field organizing* and *organized field* to describe the nascent field and how it was organized to address the societal problem; and *consequences of field organizing* and *consequences of social enterprise market* to account for the effects and secondary consequences of the new social enterprise market (see Table IV).

Fourth, we discerned recurrent patterns across the two episodes and synthesized them into a process model illustrating how field organizing unfolds to address a complex societal problem and the role of social enterprise referents therein (see Figure 1; Harley and Cornelissen, 2022).

Table III. Data analysis steps (drawing on Cloutier and Ravasi, 2021)

<i>Analytical goal</i>	<i>Data used</i>	<i>Analytical procedures</i>	<i>Analytical outcomes</i>
Constructing the case narrative	Archival documents, informal and formal interviews	Thick description of case setting (Geertz, 1973)	Narrative summary (Table IV)
Identifying market development episodes	Archival documents, informal and formal interviews, social media data	Temporal bracketing (Langley, 1999)	Identification of two stages of market development and field organizing (Table IV)
Reconstructing cross-sector interactions	Observations, informal and formal interviews, social media data, archival documents	Coding (Corbin and Strauss, 2015)	Identification of different types and mechanisms of interactions (Table IV)
Constructing a process model	Case narrative, theoretical accounts	Generative thinking, contrastive reasoning (Harley and Cornelissen, 2022)	Process model (Figure 1)

Table IV. Narrative summary

Epicode	Organizing a nascent field				From organizing to an organized field					
	Political and societal problematizing	Field impulse	Social enterprise reform	Field organizing	Consequences of field organizing	Intensified political and societal problematizing and legislation	Field setback	Social enterprise market	Organized field	Consequences of social enterprise market
Sub-episodes	Media and public policy actors	Uncoordinated, independent actors	Social startup (CIRCLE)	Re-coordinated actors who support CIRCLE's reuse products	Rebound	Media and public policy actors	Uncoordinated, independent actors	Social startups (CIRCLE, new competitors)	Re-coordinated actors who support the broad range of reusable containers	Rebound
Main actors	Media and public policy actors	Uncoordinated, independent actors	CIRCLE	Coffee providers	A market is created for reuse solutions but the rebound due to a lack of central coordination and measurement creates unintended side effects	Legislation and broader climate change discourse, redefining the issue field and intensify public attention to waste and sustainability issues	Absence of broad solutions for diverse needs. Large providers are reluctant to join the system. Cities and authorities draw attention to the need for food service industry. Environmental organizations problematize the lack of participation by large providers and call for regulation	CIRCLE, new competitors	CIRCLE and newcomers compete to gain traction in the market. Coffee providers and vendors in the food service industry select different reuse solutions. Politicians, waste cities, authorities and environmental organizations problematize the lack of participation by large providers and call for regulation	The market for reusable containers expands but the rebound from too many reuse systems hinders infrastructure support and reduces user-friendliness, creating unintended side effects
Main field activities	Intensification of political and public discourse. Waste-reduction legislation. Media representation and public attention to the waste problem	Absence of a functioning market. Coffee providers offer isolated solutions with little traction. Politicians cannot implement regulation. Cities and waste authorities have limited resources to set up their own reusable systems. Environmental organizations and activists problematize uncoordinated, insufficient measures	CIRCLE launches reusable system and builds an initial network with coffee providers	Coffee providers use CIRCLE's reusable cup system. Politicians, waste cities, authorities and environmental organizations support local implementation	A market is created for reuse solutions but the rebound due to a lack of central coordination and measurement creates unintended side effects	Legislation and broader climate change discourse, redefining the issue field and intensify public attention to waste and sustainability issues	Absence of broad solutions for diverse needs. Large providers are reluctant to join the system. Cities and authorities draw attention to the need for food service industry. Environmental organizations problematize the lack of participation by large providers and call for regulation	CIRCLE approaches large suppliers to grow. Competitors enter the market and various reusable systems diffuse at broader scale	CIRCLE and newcomers compete to gain traction in the market. Coffee providers and vendors in the food service industry select different reuse solutions. Politicians, waste cities, authorities and environmental organizations problematize the lack of participation by large providers and call for regulation	The market for reusable containers expands but the rebound from too many reuse systems hinders infrastructure support and reduces user-friendliness, creating unintended side effects

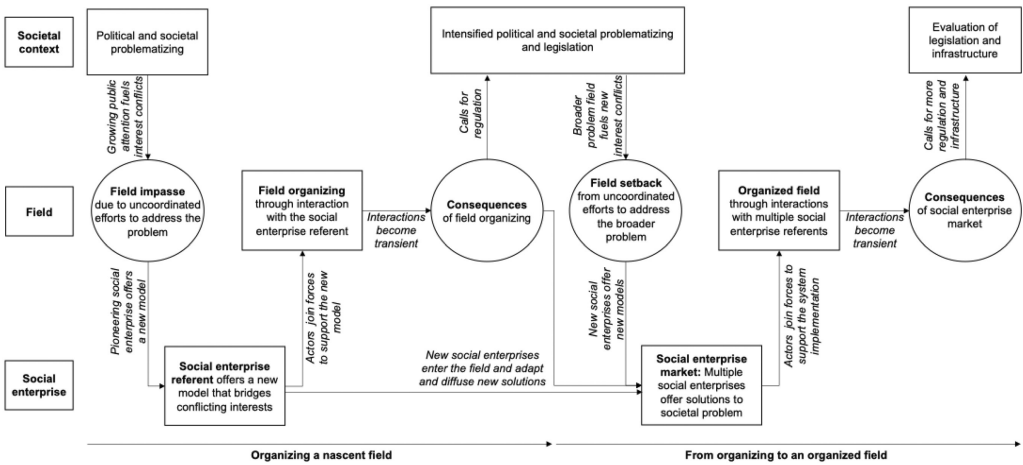


Figure 1. The process of organizing a nascent field with conflicting interests and the role of social enterprise referents

We adopted various measures to ensure the quality of our analysis (Flick, 2008), including multi-coder approaches and intensive discussions of emergent findings among the team. We also triangulated our data by contrasting interviews with members of CIRCLE against interviews with other field actors to compare self- and other descriptions, and by cross-checking information from multiple data sources to reduce bias. Finally, we engaged in debriefing to gather feedback from informants on our preliminary findings.

### FINDINGS

Our fundamental finding is that complex societal problems require field organizing, which is facilitated by social enterprises that serve as referents. Figure 1 diagrams our process model. The starting point is increased social awareness of the waste problem associated with single-use packaging for takeout food and beverages, establishing the context for our study. The lack of solutions to the waste problem led to an impasse in the field which was addressed by a start-up social enterprise that developed reusable takeaway containers. The field was then organized by various actors who supported the development of the market for reusable takeaway containers. The process we describe unfolded in two episodes, each characterized by field organizing facilitated by social enterprise referents, as well as an unintended rebound when creating the new market. Next, we theorize and illustrate each process step across the two episodes in our case study. Table IV characterizes each process model element.

#### Episode 1: Organizing a Nascent Field (2015–2018)

*Political and societal problematizing.* A marked intensification of societal debate on waste from linear consumption behaviour was evident in Europe in 2016. In 2015, the European Commission (EC) had highlighted alarming increases in levels of plastic

waste and low rates of reuse and recycling, condemning such waste as the ‘ecological irresponsibility of our time’ and presenting its latest draft proposals for promoting a circular economy, including new instruments for increasing rates of reuse and recycling to significantly reduce plastic waste by 2030 (European Union, 2013, 2015a, 2015b). In proclaiming its aim of ‘doing away with throw-away thinking’, the EC emphasized the need to overcome what it described as the ‘outdated ... idea of a conflict’ between economic and social-ecological goals: ‘When properly implemented, circular economy models can lead to a triple win – economically, socially, and environmentally’ (Former European Commissioner for the Environment, statement to German media 09 December 2015).

Discourse on waste and circularity intensified in Germany in 2016 when an environmental organization published a study showing that 2.8 billion disposable takeaway cups were being used in Germany each year. In the words of one city municipality representative (Municipality 2), ‘This coffee-to-go issue was the catalyst for waste avoidance to become acute again’. This heightened awareness of waste from disposable cups was amplified in the German media: ‘Everyone agrees on one thing’, claimed one report (27 November 2016), ‘Mass sales of coffee-to-go in disposable cups are bad for the environment’. Stimulated by growing public attention to waste from single-use takeaway cups, a number of actors in Germany independently began to engage with the issue. At this stage, however, responses to the waste problem suffered from a lack of coordination and remained insufficient, reflecting an impasse in the field.

*Field impasse.* Activities to address the waste problem at this stage were decoupled and underorganized: small-scale local establishments began to offer reusable cups, while large chains like Starbucks and McDonald’s offered customers the option to bring their own cups. Meanwhile, local state governments started to invite field-level actors to participate in roundtable discussions to explore potential solutions to the problem. According to environmental organizations, however, this ‘uncoordinated multitude of individual initiatives’ was far from commensurate with the scale of the waste issue, prompting calls for ‘nationwide’ reusable cup systems (Environmental organization 1, stated in the German media 27 November 2016).

While many individuals perceived the urgency of the waste problem at this time, activities remained highly uncoordinated, with actors contesting who should be responsible for which tasks in tackling the problem that is, contrarily ‘responsibilizing’ each other (Reinecke and Ansari, 2016). Politicians called on waste authorities and coffee chains to take direct action: ‘The mayor of Munich called us and said, “It can’t go on like this. The whole English Garden is full of your coffee cups. If you don’t find a solution, we’ll have to find one”’ (Coffee chain manager 1). However, in practice, these actors lacked the capacity to implement reusable container systems themselves. For local government waste authorities operating as non-profit organizations, financial and resource constraints alone ruled out this possibility: ‘There was a request from the city council to see if we couldn’t set up our own reusable [container] system ... And we clearly said “no” at that time’ (Municipality 2). For coffee chains, no existing solutions for reusable cups were available on the market at this stage, and their efforts

to establish their own systems gained little traction in the absence of a market with functioning supply and demand structures:

We have talked to different industry partners to find an alternative to the current material that is used. But nothing we could find on the market, for example, compostable materials, met our requirements that the product remains unaffected ... [in terms of] quality, taste, smell. (Corporate category manager 2)

Even regulatory initiatives developed by local policymakers failed in the absence of established solutions in the market. A former State Minister for the Environment recalled: 'I tried years ago to get a climate protection law for Bavaria off the ground ... The time wasn't right to get a law going'.

These actors were trapped in a spiral of mutual dependence, since demand for sustainable systems could not be satisfied without an established market for reusable takeaway containers, and no such market could be established without such systems in place. This impasse was described by a representative of an environmental organization:

As an environmental association we have to work with what's available. In the area of recycling management, we're always on the lookout for the best possible solution ... But we can't provide any products ourselves, because as a non-profit organization, we have a different goal. And in this respect, we're happy when companies propose good solutions, where we then enter into an exchange and have common interests.

All activities to address the waste problem at this stage were decoupled and failed, reflecting an impasse in the field and the need for a holistic solution to the waste problem.

*Social enterprise referent.* The lack of a solution to the problem of single-use coffee cups motivated CIRCLE's founders to enter the field with the mission of changing consumer behaviour by developing financially and environmentally sustainable solutions for takeaway coffee consumption (CIRCLE blog 23 August 2017). They introduced a deposit system for reusable coffee cups, reflecting the founders' clear intention to 'build a sustainable business model and make money with it' (CIRCLE founder 1).

In the early stages of market-building, CIRCLE first worked with a handful of coffee providers to test its deposit system. Through these initial interactions, CIRCLE explicitly introduced the issue of sustainability to these providers. Later, after having gained a foothold in the market, CIRCLE focused on expanding its network of B2B partners. In 2017 and 2018, CIRCLE's reusable cup solution was increasingly embraced by coffee providers; by 2018, the enterprise's network had expanded to 2000 distribution points. Coffee providers with a stronger orientation towards sustainability found CIRCLE's new solution especially attractive. A local café operator recalled, 'Since we're big fans of new sustainability options, it went quickly, meaning we decided to go for it and ordered the first cups right away' (Operator 1). Through these

interactions, coffee providers supported CIRCLE's reusable container solution and helped build a market.

Whereas previous activities had been decoupled, CIRCLE's reusable container system rapidly established a local reference point to which actors could connect their activities, enabling them to work with CIRCLE to help reduce waste from disposable cups. CIRCLE thus served as a catalyst for politicians, public administrators, and environmental associations to join forces at the local level and address the waste issue. When CIRCLE launched its system in southern Germany, the state minister organized networking roundtables to bring together coffee providers, the local waste authority, and CIRCLE's founders. In addition, the local waste authority supported CIRCLE's entry into the market with a communication campaign that was quickly picked up by the press, attracting attention throughout Germany. By supporting and communicating the success of this campaign through their respective networks, these efforts by local politicians and the local waste authority triggered mimetic processes in other German states, as other municipalities launched similar campaigns. For example, a representative of Municipality 1 said that they had 'received an incredible number of inquiries from other municipalities, really across Germany ... [Municipality 10] wanted to borrow our marketing materials'. Likewise, a representative of Municipality 7 shared: '[Municipality 3] started a similar initiative a year later than we did, and there was also an exchange where we passed on our experience'.

Other municipalities began to establish similar collaborations with CIRCLE, initiated by politicians and supported by environmental associations and waste authorities. This support included financial grants for coffee providers to introduce the CIRCLE system, roundtables to bring together affected actors, and marketing campaigns:

We gave a financial grant to CIRCLE to focus their sales activities on our municipality ... We also promoted the topic of returnable cups and CIRCLE on a large scale ... with big campaigns in the city ... we pushed the marketing from the municipal side ... the city council provided us with additional budget for this. (Municipality 7)

The popularity and successful launch of CIRCLE's reusable cup system added significant momentum to the waste measures undertaken at this time by politicians, waste authorities and environmental organizations, especially as the advent of this system meant the 'big issue' of waste prevention could now be broken down into specific applications, facilitating collective decisions on concrete measures. The previously decoupled and ineffective activities of various actors were now organized in one field with CIRCLE's reusable cup system at its core.

*Field organizing.* Interactions with CIRCLE led various actors to develop a shared system of meaning and engaging in hybrid forms of organizing. Coffee providers began using CIRCLE's system to position themselves ecologically, with many informing us that their actions were motivated by both economic and non-economic factors. Some acted based on their personal ecological convictions and proactively supported the development of CIRCLE's reusable cup system by 'sharing market know-how' (Local café operator 8) and 'temporarily deprioritizing cash flow' (Local café operator 4). A manager of a coffee

chain explained that ‘it was a win-win situation’, as ‘piggybacking’ on CIRCLE helped them pursue their ecological goals (Coffee chain manager 1).

Politicians also pursued interconnected political and ecological objectives, combining the goals of urban development with political positioning on ecological problems. ‘This is a strong communicative task in the ministry. You can do that with campaigns, with initiatives, with projects you support’ (Former State Minister for the Environment). In this stage of market-building, politicians engaged in the field to raise awareness of the waste issue, connect relevant stakeholders, and facilitate joint voluntary measures to tackle waste: ‘You don’t always have to bring in an initiative for new legislation. You can also just do a roundtable’ (Local politician).

Environmental organizations and municipal waste authorities also supported CIRCLE by aligning administrative and ecological goals. Actors from these organizations provided exceptional support to establish the reusable cup system in the field, especially because there were no other options available on the market at that time. A representative of Municipality 2 recalled, ‘no formal tendering was necessary and no rules of distortion of competition could be broken’. A representative of Municipality 7 explained why it was necessary to ‘help out the free market economy’ to encourage uptake: ‘If we’d simply left the market to its own devices, then maybe in the last three years the market would have grown from 15 to 25 or 50, but not to 150 or 200, or however many there are now ... thanks to our acceleration efforts’.

Overall, CIRCLE successfully established a reusable cup system in the market and overcame the prevailing impasse in the field. By scaling down the broad issue of waste prevention to the solution of reusable coffee cups, CIRCLE facilitated a shared understanding of the problem and enabled actors to see the aims of waste reduction as achievable, especially through local initiatives. The previous long-term positioning of potential measures and their effects in a distant future were brought into the present via the implementation of reusable coffee cups. Diverse actors supported CIRCLE’s reusable cup system, thereby establishing a market for reusable solutions and integrating various field actors and logics.

*Consequences of field organizing.* The creation of this market for reusable cups was not without unforeseen consequences, particularly during its initial phase characterized by extensive experimentation and a lack of targeted coordination. One politician explained that at this stage, ‘the actual question of impact is of no interest to anyone’, reflecting the lack of nationwide metrics to gauge the actual reduction in disposable cup usage (Local politician 1). One unintended consequence of CIRCLE’s solution was the emergence of a dual supply of both disposable and reusable cups, a phenomenon known as ‘rebound’. ‘Our goal was to offer a reusable system that works. To take the idiotic disposable cups out of the program, which we can’t do. We still have them because the customer doesn’t really accept the reuse cups’ (Local coffee shop 4). Most coffee providers did not switch completely to the reusable cup system, but used it as a complement to disposable cups to ensure they could meet demand. Thus, an important repercussion was an initial increase, rather than a decrease in resource consumption:

The goal is to only offer reusable cups in the long term. But we are not yet at the point where we can do that without losing customers. That’s why the first step is to implement the system in the first place and get it up and running. (Coffee chain manager 2)

In the absence of quantifiable savings, many stakeholders turned to alternative metrics to assess the efficacy of their efforts to phase out disposable cups. Politicians highlighted increased attention from voters. The Former State Minister for the Environment explained: ‘It was important for me to bring this to my constituency ... There was a lot of interest’. Likewise, municipal officials highlighted how their communication campaigns had successfully captured public attention and raised awareness of the waste issue: ‘That was definitely a success when we look at the press coverage we had throughout Germany on the subject’ (Municipality 1).

Having initially broken the impasse and organized the field for a reusable cup system, progress slowed as actors reverted to ‘business as usual’ (Wright and Nyberg, 2017). ‘Of course, you could do a lot more, also in terms of monitoring ... But honestly ... we have other core tasks’ (Municipality 7). This eventually changed in the next episode when intensified discourse brought the issue increasingly to the forefront of societal attention.

## **Episode 2: From Organizing to an Organized Field (2018–2022)**

*Intensified political and societal problematizing and legislation.* From 2018 onwards, new dynamics emerged in European and national legislation as well as public discourse in Germany on the waste issue. Tentative proposals initiated by the EC in 2015 had been discussed in parliament for 3 years by this time and were now presented in an EU Directive explicitly calling on member states to ‘encourage the use of products that are suitable for multiple use’ (EU Directive 2019/904) and reduce waste from single-use plastic products. Alongside these legislative efforts, 2019 also saw a strong resurgence of public attention to and discourse about climate change and EU climate policy. This was triggered in large part by the youth-led Fridays for Future movement, where students skipped school on Fridays to participate in demonstrations to demand stronger climate action from policymakers.

Whereas key actors attempting to address the waste issue in Germany had previously focused on voluntary engagement to reduce the use of disposable cups, from 2019 onwards there was increasing criticism of the inefficacy of extant measures, with some actors complaining that ‘large chains ... so far ... have not joined in’ and that although ‘deposit systems already existed’ they still needed to be ‘much more widely disseminated’ (Media 21 May 2019). Calls now arose for stricter regulation to force the major providers of disposable packaging to adopt reusable systems through ‘a binding reduction target for the number of disposable cups or a reusable quota’ (Environmental organization 1). In 2021, the EU Directive on waste was finally incorporated into German law, with major providers now legally required to offer alternatives not only for cups, but also for disposable food containers beginning in 2023.

Together, new regulations and intensified social discourse on all aspects of sustainability were compelling many more actors in Germany to attempt to address the issue. Although such dynamics might be expected to lead to a rapid proliferation of new solutions, a new impasse emerged much like the one at the beginning of the market-building episode. This time, however, insufficient responses stemmed from an initial lack of solutions for what was now a much larger issue field and number of affected stakeholders.

*Field setback.* The introduction of regulations immediately and dramatically expanded the issue field beyond cups by explicitly requiring that sustainable alternatives be offered by large suppliers who had not previously joined a reuse system, including takeaway food suppliers for whom there was no pre-existing solution in the field. The regulations thus defined new supply and demand structures in the market, precipitating a field setback as those demanding a solution encountered a lack of supply in the market, while providers were confronted with a new demand that they were not yet able to meet. One of CIRCLE's founders described how new regulations led to a field setback:

The regulation really affects the majority of the German takeaway catering industry. They have to offer an alternative to disposable [containers] from January 1, 2023, both for drinks and for food. And, of course, this is very, very good for us with our deposit system, but it also brings certain growth challenges because we're talking about at least 120,000 businesses in Germany that will have to find a solution by the first of January 2023 ... We now have 11,000 partners ... That means there's still a lot to do! (CIRCLE founder 2)

This field setback was also described to us in interviews with two large players in the takeaway food sector who had both hesitated for a long time before working with CIRCLE. Corporate category manager 1, who was responsible for over 1000 takeaway establishments, recalled their corporation's comparatively late entry into the market and described why they decided to use CIRCLE: 'We needed a well-established, functioning national system. ... [CIRCLE] were then the only ones who could offer ... a certain size ... and a certain stability'. This was confirmed by a manager from another large national chain who emphasized that negotiations had 'demanded a fine sense of proportion' to assess whether 'joint development was possible':

Especially when you have such an imbalance between a large corporation and a startup, you have to share the responsibility of looking out for the partner in case of doubt, right? It's no use playing out your dominance, because you want to grow together with your partner. So, we weighed up the conditions of acting economically on the one hand, but at the same time growing sustainably together with the partner. (Corporate category manager 2)

The circumstances of the COVID-19 pandemic intensified the prevailing field setback. Awareness of the waste problem from disposable food containers had risen due to the massive increase in takeaway orders during lockdowns. Restaurant operator 2 recounted, 'with the pandemic, much, much more people ordered takeaway food'. Similarly, a representative of Municipality 1 recalled, 'we could see when [the pandemic] started that the waste container levels were going up rapidly'. However, market structures were still lacking for reusable food containers. At the same time, restaurants were struggling due to lockdowns and were reluctant to invest in or experiment with solutions. CIRCLE and new competitors responded to this setback by expanding the market for reusable containers.

*Social enterprise market.* The now much broader issue field was increasingly recognized by CIRCLE as an opportunity to provide additional offerings in the growing market for reusable takeaway containers. Even more consequentially, new startup social enterprises began to enter the growing market with their own solutions, building directly on CIRCLE's experience and success in the reusable coffee cup segment to experiment with novel products, tap into new customer groups, and develop alternative financial models. A local restaurant operator described how the market for reusable container systems had expanded significantly due to competition:

Competition is good for business. And I think all the developments we've seen in the last two years, especially in product diversity, have come because they've been competing with each other. Who can launch the first Sushi Box and get all the Asian restaurants on board, for example. (Local restaurant operator 3)

This growing market was hybrid in nature, as CIRCLE and its new rivals competed to achieve not only the economic goals of securing strategic market position and building brand awareness, but also the social goal of waste reduction. 'In this growth phase, our competitive moves were driven by the mission to eliminate disposables' (CIRCLE manager 1). Revealing how most newcomers adopted and imitated CIRCLE's successful pioneering model, Competitor 1 succinctly declared: 'Our core business model has this 1:1 link. We only earn money when we really make an impact'. CIRCLE's founders also justified their moves to 'beat the competition' (CIRCLE founder 2) on economic and social grounds, linking the goal of eliminating disposables with market leadership in reusables. In their growth strategy, they emphasized the need for a single overarching system for cups and boxes that is more convenient for the food service industry and consumers: 'Our overall vision has always been to eliminate disposable cups for coffee-to-go, and since 2020, we've also offered BOX and expanded the vision to eliminate disposable cups for to-go drinks to disposable boxes for takeaway food' (CIRCLE founder1).

To accelerate growth of its system, CIRCLE introduced reusable containers for takeaway food establishments to attract larger chains representing hundreds of distribution points. Compared to working with small owner-operated cafés, this constituted a major scaling of CIRCLE's distribution system and impact on waste reduction. By December 2022, CIRCLE had expanded its network to some 15,000 distribution points. A representative of an environmental organization commented, 'When the first petrol station chain came, that was the point where I thought, "Okay, wow, this is a huge step!"' (Environmental organization 1).

The social enterprise market that now comprised CIRCLE and its competitors provided new reference points from which new local dynamics developed. Numerous initiatives were launched in cities and communities across Germany to establish reusable solutions and inform takeaway food establishments about the wider availability of alternative reusable container systems. Politicians and public authorities increasingly involved industry associations and developed climate initiatives as 'multipliers' to help prepare for Germany's new waste regulations:

From January next year the catering industry will be obliged to offer a reusable [packaging] alternative. We've proactively contacted [Restaurant association 1] with the desire to prepare the industry for this ... We've had several roundtables with interested parties to find out how we can best help them. (Municipality 2)

These preparations for the new waste regulation included identifying the most suitable reusable container system for local restaurants in various municipalities, discussing obstacles to implementation, financing implementation and promoting the use of reusable container systems through marketing and communication measures. As in the market-building episode, these measures collectively had the effect of disseminating reusable solutions and reorganizing actors in a social enterprise market.

*Organized field.* Interactions with CIRCLE and their competitors led various actors to engage in hybrid forms of organizing. At the national level, policymakers supported the rapid growth of reusable systems by aligning political means and ecological goals. At one event, the federal Minister of Environment expressed her goal to 'make reusable the standard and abolish single-use completely, to finally end this nonsense', by supporting initiatives on reusables and by working on further regulatory projects to ban single-use products for waste reduction.

Similarly, local politicians, authorities, and environmental organizations initiated events and campaigns to inform stakeholders about reusable container systems. Local politicians appeared at these events, thereby incorporating waste-reduction solutions into their political agendas. Authorities implemented programs to make their communities more sustainable, while environmental organizations highlighted the environmental impact of reusable containers. Although similar to earlier field organizing efforts, the field now accounted for a broader scope of solutions for takeaway food and drinks as well as for a broader group of actors:

A working group was formed here to deal with the topic of how to promote a plastic-free life in [Municipality 6]. And they worked with us on this topic of reusable cups and boxes to reduce the amount of disposable packaging in restaurants, bakeries, and others. (Municipality 6)

Among these actors, a new sense of urgency arose to comply with new waste regulations as deadlines loomed. A representative of Municipality 2 explained: 'This legislation suited us just fine, since we can say, 'It's not just political will, dear people – it's in the law. Please do something now!' And that works very well'. The chief concern among many actors involved in the field was that they would be unprepared for the new waste regulation. However, this episode differed from the first one in that many more system providers introduced variability across initiatives. Some initiatives focused on supporting a single system with the aim of ensuring uniformity in the market and strengthening the system's effectiveness from the outset. In such cases, decision-makers typically chose providers that had established track records during the market-building episode. For example, Municipality 5 justified its selection of CIRCLE's reusable box system based on the fact that CIRCLE's cups were already established in the market:

From the following year reusability would be compulsory. And individual food and beverage providers approached us and said, ‘Before everyone starts working together with a different system, can’t we all do something uniform together?’ And I first looked at what we already had and ... all [except one] ... had CIRCLE. So, the question was settled. ... And that was different in [neighboring city] where they had three different systems in use.

Other initiatives allowed providers to select their own reusable container systems, leading to a high density and variety of system providers in certain municipalities.

We really went from business to business and said, ‘Look, this is available. Choose what you like, and within the framework of the project we’ll take over the costs for half a year, so you don’t have to be afraid of possible additional costs’. ... In [Municipality 9], 33 catering businesses ... tried out the reusable system of their choice for six months. (Environmental organization 2)

In this episode, the impasse of undersupply was resolved by the development of a market encompassing multiple reusable container systems by various startup social enterprises. Through interactions with these social enterprise referents, multiple actors were able to join the field and support its development. All these developments accelerated the implementation of reusable container systems and fueled market growth to a point where it could support multiple systems.

*Consequences of the social enterprise market.* Aside from making it more difficult for consumers to use these systems, heterogeneity in the market constrained the development of standards and infrastructures, especially in the absence of a central coordination mechanism in a nascent market:

There are efforts to say ‘We want to standardize this’. We’ve already heard that. I believe this was somehow intended by the consumer protection ministers and the conference. But in a market that’s still so young and only just developing, it’s difficult to say ‘Now we’re going to standardize it’ when things haven’t even really started yet, especially because someone will always be disadvantaged. (Municipality 2)

Our informants were aware of these issues, but rationalized that they could not be addressed because their systems did not allow for further interventions. Politicians and waste authorities emphasized that further interventions in the market were ‘not permissible in terms of market policy’ (Local politician 2), and projected that ‘many of these problems would be solved in the free market economy’ (Municipality 7). A willingness to engage in additional activities to support uptake of reusable container systems thus was no longer shared by all actors in the field, with some reverting to their respective systems’ logics and attributing responsibility for further action to others:

We’ve actually now paved the way with this start-up story and we’ve pushed CIRCLE. They’re now established in [Municipality 7]. If they now also push these boxes, we

think that's great, but from our point of view, it doesn't need this effort from the city administration again. (Municipality 7)

I've heard from another municipality saying, 'I've given up. There's just no point anymore! We provided them [takeaway establishments] with information, but we just can't get them to do it. ... We're not going to help them anymore, and if they don't get it done, we're going to start imposing fines on January 2023. We've tried the carrot long enough. Now we have to use the stick!' (Municipality 2)

While this episode contributed to establishing a broader market for reusable solutions, it ended as the previous one had, with actors reverting to their social systems and logics.

### **Outlook as of December 2022**

Our study ended in December 2022 with the establishment of CIRCLE and other systems in the market for reusable containers. The implementation of functioning supply and demand structures for reusable container solutions in Germany had unfolded across two successive episodes of field organizing and reorganizing. Social enterprises played a critical role in this process by serving as reference points for actors' activities, thereby enabling them to work towards reducing waste from disposable takeaway containers. When our study period ended in December 2022, additional episodes of field organizing were already on the horizon.

Looking to the future, actors projected that infrastructure issues would dominate the next phase in the diffusion of reusable systems. A representative of Environmental organization 2 explained, 'the topic of central washing is basically what we want to tackle next' because the logistics involved in returning and cleaning containers prevented smaller establishments without in-house dishwashing capabilities from joining the system, and also became more and more problematic for larger establishments as the increasing number of reusable containers exceeded their existing dishwashing capacities.

A representative of Environmental organization 1 recalled, 'there was this other milestone when CIRCLE got into pilot projects in [Municipality 7] and [Municipality 3] to develop central cleaning and return machines'. At a conference, one of the new providers for infrastructure solutions problematized the 'chicken-and-egg problem' whereby food service establishments and providers of reusable container systems 'call for an infrastructure solution to enter the market, while an infrastructure solution requires high turnarounds that can only be achieved by the participation [of food service establishments] ... in large reusable [container] systems', indicating another impasse arising in the market. Key stakeholders also anticipated that regulation would be 'tightened' (Municipality 2) in the near future, with Municipality 3 referring to current efforts at the EU level to 'change [the current directive] into a packaging regulation ... with binding quotas of how much disposable [containers] should be reduced ... and be replaced by reusable [containers]' (EU proposal 2022/0396). These latest developments indicated that another episode of field organizing was unfolding, which in turn confirmed our findings on the need for

recurring processes of organizing and reorganizing actors around complex societal problems in nascent fields, facilitated by social enterprise referents.

## DISCUSSION

Our study highlights the crucial role of social enterprise referents in organizing nascent and uncoordinated fields and advancing new models that integrate social and commercial interests.

First, we identify social enterprises as a novel type of referent organization in emerging issue fields (Buchanan et al., 2023; Zietsma et al., 2017). Building on existing literature about referents such as trade unions and civil society organizations (Trist, 1983), social enterprises stand out by operating at the intersection of commercial and social logics (Battilana and Lee, 2014; Pache and Santos, 2021; Vedula et al., 2022), effectively navigating conflicting priorities like profitability and social impact. This dual focus allows them to introduce new models and act as referents in underorganized fields where conflicting interests hinder progress, offering practical templates for organizing various actors from different sectors (Hoffman, 1999; Maguire et al., 2004; Purdy and Gray, 2009). By seizing an initial moment of field impasse as an opportunity to introduce models that bridge conflicting interests, social enterprise referents organize the field and bring together previously uncoordinated actors. Similar to the role of social enterprises addressing institutional voids (Mair et al., 2012), a field impasse distinctly builds on double contingency (Luhmann, 1995) which arises when isolated efforts by field actors address either supply from a commercial perspective (e.g., coffee chains offering to fill customers' cups) or demand from a social perspective (e.g., campaigns against disposable cups). These isolated efforts fail to connect actors and intensify conflicts between commercial and social interests, creating a cycle of unmet supply and demand that is resistant to conventional solutions. Social enterprise referents address these gaps in weak supply-demand structures, and offer solutions that integrate both commercial and social goals, unifying actors around a common model.

While our case demonstrates how CIRCLE has reduced waste by introducing reusable containers in collaboration with politicians, authorities, businesses, and environmental organizations, future research can expand the concept of social enterprise referents across various contexts. Many industries face societal challenges stemming from fragmented efforts, such as inconsistent labour standards in garment and coffee sectors, environmental degradation in forestry, fisheries, and agriculture, lack of access to education, financial services, healthcare, and sanitation in underserved regions, and income instability and inadequate worker protections in the gig economy. These challenges offer opportunities for social enterprises to introduce innovative solutions and organize new fields. For example, Patagonia set standards in sustainable fashion, and microfinance organizations address economic disparities through small loans. Further research can explore how social enterprise referents like Patagonia not only create solutions but also coordinate diverse actors to drive the emergence of nascent fields.

Second, we emphasize the role of ‘social enterprise markets’ in institutionalizing new models that help fields transition from an initial state of organizing to becoming fully organized. In underorganized fields without established actors or stable systems, progress depends on multiple social enterprises anchoring their models within the market. Without this support, models may struggle to take root, leading to setbacks when early solutions fall short, governance is weak, and actor interactions become transient (Grodal and O’Mahony, 2017; van Wijk et al., 2013; Wright and Nyberg, 2017). When multiple social enterprises are organized in a market, they continuously refine their models through competition, balancing social and economic goals. This competition renews interactions that capture broader market demand, fosters growth, and restores momentum to overcome setbacks in the field (Battilana et al., 2009; Purdy and Gray, 2009). Scholars have argued that nascent fields require ongoing interactions to become organized (Hoffman, 1999; Purdy and Gray, 2009; Trist, 1983). We have extended this literature by revealing the crucial role of social enterprise markets. Our findings show that new social enterprises entering the field to address supply–demand gaps drive isomorphic developments by replicating successful models, while also introducing adaptive innovations to meet specific market needs. Thus, transitioning a field from underorganized to organized promotes both standardization and innovation, fostering models that balance diverse interests and goals. Sustained efforts from multiple social enterprises involve competitive interactions with each other and collaboration with field actors to anchor solutions, ensuring the ongoing progress necessary to transition the field into a more stable, organized state.

Our case illustrates how CIRCLE and its competitors helped develop the market for reusable containers in industries dominated by heavy users of disposables, such as coffee chains and fast food restaurants. In our case, these actors initially observed the development of a nascent market and experimented with new models. Future research could explore the power dynamics and struggles for dominance that arise as fields evolve (Battilana et al., 2009; Purdy and Gray, 2009), especially the critical tipping points that occur when the field grows large enough to threaten the existing business models of established players (Schüßler et al., 2023). Building on our study, future work could investigate the power plays that emerge when incumbents react to growing social enterprise markets by attempting to disrupt or halt further development (Gray et al., 2022; Hedberg and Lounsbury, 2021; Marquis and Lounsbury, 2007).

## CONCLUSION

Our case study on reusable takeaway containers has shown how social enterprises contribute to the development of underorganized fields characterized by diverse actors and conflicting logics. A nascent field is organized through repeated interactions with social enterprise referents who offer new models. Unlike organized fields, underorganized fields are more fragile due to a lack of stable actors and systems, and require sustained effort to align conflicting logics and build a stable model. We hope this study encourages further research on the role of social enterprise referents for addressing societal problems in underorganized fields.

## ACKNOWLEDGMENTS

We are grateful to Special Issue Editor Silvia Dorado, JMS Editor Gideon Markman, and the three anonymous reviewers for their constructive feedback, which helped us realize the potential of this work. Special thanks to Shaz Ansari, Ignas Bruder, Marc Krautzberger, Andreas Rasche, Markus Reihlen, Hannah Trittin-Ulbrich, and participants at the Academy of Management Conference 2022, the 2023 EGOS Colloquium, and the 2024 German Academic Association for Business Research Annual Conference. Finally, we thank Jill Küberling-Jost for her support in the early stages of idea generation in this research project. This research has received funding from the Horizon 2020 Program of the European Union within the OpenInnoTrain project under grant agreement no. 823971. The content of this publication does not reflect the official opinion of the European Union. Responsibility for the information and views expressed in the publication lies entirely with the authors.

## CONFLICT OF INTEREST STATEMENT

The authors have no competing interests to declare that are relevant to the content of this article.

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