



The four blades of the societal value creation of nonprofit organizations business models: a Bourdieusian perspective

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Résumé:

Malgré une attention croissante des chercheurs envers le secteur à but non lucratif, les travaux sur les business models des organisations à but non lucratif (OBNL) demeurent limités. Nous remédions à ce gap en proposant un modèle théorique qui met en évidence les mécanismes de création et de capture de la valeur sociétale au cœur des business models des organisations non lucratives. En nous appuyant sur la théorie des formes de capital de Bourdieu, nous révélons que la capacité des OBNL à créer de la valeur sociétale repose sur l'accumulation de capital économique, social, culturel et symbolique *ex-ante* et que la capture de la valeur créée est réalisée par la conversion visant à accumuler davantage des quatre formes de capital. A travers l'étude de cas de Médecins sans frontières, nous illustrons ces mécanismes de création et capture de la valeur sociétale en suivant une lecture temporelle. Cet article contribue à la littérature sur les business models et les OBNL en proposant une nouvelle lecture du concept de valeur et en explorant les mécanismes de création et de capture de la valeur sociétale à partir d'un modèle systémique.

Mots-clés: Approche systémique; ONG; business model; étude de cas; valeur sociétale



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1. INTRODUCTION

The concept of the business model was introduced in strategic management in the 1990s and quickly became a common concept in academia and business practice (Zott, Amit, & Massa, 2011). A business model is a description of an organization and how that organization functions in achieving its goals (Massa, Tucci, & Afuah, 2017). Does this concept apply to nonprofit organizations (NPOs), which, by definition and nature, are different from FPOs? By definition, NPOs are not profit-driven. By nature, unlike FPOs, the ultimate purpose of NPOs is to create societal value. Societal value creation is understood as improvements to societal dimensions, i.e. social, environmental and governance issues (Davies & Doherty, 2019). Thinking about the business models of NPOs and considering how the existing literature on business models helps to understand the operation and development of this type of organization is important because of its specificities. Confronted with growing societal needs and increasingly limited financial resources, the question of the sustainability of their business models is raised.

The emergence of corporate social responsibility (CSR) has challenged the conventional perspective of business model centered on economic value leading to the development of sustainable business models that integrates a new perspective based on the combination of economic value with societal value. However, the extension of sustainable business models to include NPO business models suffers from limitations. Despite the consideration of non-economic values, the dominant paradigm in business model literature remains centered on economic value creation as the ultimate goal (Teece, 2010). It is therefore difficult to understand the mechanisms underlying the creation and capture of value in organizations such as NPOs whose business models aim to create societal value (Dentchev et al., 2016). Moreover, since these mechanisms are apprehended globally without it being possible to dissociate them, their analysis is rendered implicit and confused (Demil et al., 2019; Lepak, Smith, & Taylor, 2007). We support the idea that the conceptualization of NPO business models implies a paradigm shift in business model research as NPOs seek to create societal value as the ultimate goal. Contrary to FPOs, for NPOs, societal value is understood not as a support to economic value



but as an end in itself. Our objective is to propose from such a paradigm shift a theoretical framework that highlights the fundamental mechanisms underlying the creation of societal value and its capture to address the following research question: *How do nonprofit organizations create and capture societal value in the business model?*

We rely on Bourdieu's theory (Bourdieu, 1986) of the four forms of capital (i.e. economic, social, cultural and symbolic) to develop a novel understanding of NPO business models. Core to our framework is the NPO as a combination of economic (i.e. financial and material assets), social (i.e. social network), cultural (i.e. knowledge) and symbolic capital (i.e. prestige and social recognition). According to Bourdieu (1986), each form of capital is accumulated and may be converted into another. The accumulation and conversion of forms of capital reveal the differentiated mechanisms of societal value creation and capture that underlie NPO business models.

Following Siggelkow's (2002) argument that illustrates how cases assist conceptual demonstration and contributions, we present the case of the NPO *Doctors without Borders* (MSF)¹ as a guiding thread to strengthen our arguments and to illustrate our theoretical framework. Since its beginning (1971), the MSF business model has been planned under the dynamic of accumulation and conversion of forms of capital. Eleven doctors and two journalists of the medical magazine *Tonus* founded MSF. Initially, by using cultural capital embodied by the medical expertise of the doctors' teams, MSF was able to develop humanitarian missions. Then, the two journalist co-founders of MSF converted these missions into symbolic capital by communicating about it to the media and the general public. MSF combines its expertise accumulated through its humanitarian missions (i.e. cultural capital) with the diffusion of their actions to the media (i.e. conversion of cultural capital into symbolic capital) to accumulate social capital (i.e. more volunteers), and economic capital (i.e. more donors).

In the next section, we offer an overview of research on business models highlighting the theoretical gaps. Then, we present our theoretical framework, reflecting Bourdieusian theory about forms of capital and their conversion to understand the NPO business models (i.e. societal

¹ At the end of 1971, a small organization emerged in France around the medical problem of human suffering and perceived inadequacies of humanitarian responses to the Biafra war in Nigeria. Calling itself "Médecins Sans Frontières," they aimed to establish an independent nonprofit organization that focuses on delivering emergency medicine aid quickly, effectively and impartially. Over the next three decades, the initial French group grew into what is now an international movement of 25 associations with more than 67,000 people that provide medical assistance to people affected by conflict, epidemics, disasters, or exclusion from healthcare (www.msf.org).



value creation and capture). We then show the virtuous circles of creation and capture of societal value from the vicious circles of destruction of societal value. Finally, we discuss the findings and outline our contributions to nonprofit and business model literature.

2. BUSINESS MODEL RESEARCH: FROM ECONOMIC TO SOCIETAL VALUE

2.1. THE BUSINESS MODEL CONCEPT IN STRATEGIC MANAGEMENT

The business model concept was introduced in strategic management literature in the 1990's and quickly became a mainstream concept in both academia and business practices (Zott et al., 2011). It constitutes a promising and progressive research program in strategic management (Lecocq, Demil, & Ventura, 2010) to understand the broader view of value, the creation as well as the capture of value (Freudenreich et al., 2020). At a general level, a business model is “*a description of an organization and how that organization functions in achieving its goals (e.g. profitability, growth, social impact, etc.)*” (Massa et al., 2017: 73). Chesbrough (2007) defines the business model based on value creation and capture as its two core functions and Teece (2010: 172) describes the essence of the business model in “*defining the manner by which the enterprise delivers value to customers, entices customers to pay for value, and converts those payments to profit.*”

Multiple definitions of business models are proposed, reflecting the diversity of critical lenses used to interpret the business model concept. Massa et al. (2017) suggest three interpretations: (1) business models as attributes of real firms, (2) business models as cognitive/linguistic schema, and (3) business models as formal conceptual representations. The last interpretation is the one adopted in this article since we focus on the fundamental elements to highlight the mechanisms and general representations of business models. Regardless of the interpretation chosen, the concept of value plays a pivotal role in most discussions on the fundamental characteristics of a business model. The literature in strategic management questions the concept of value focusing on the types of value to explain competitive advantage. They offer a better understanding of what value is (e.g. Bowman & Ambrosini, 2000), however, questions remain regarding the capture of value and the theorizing of value creation (Massa et al., 2017). The business model concept, based on the central analysis of value creation and capture (Lecocq et al., 2010), seeks to enrich the traditional theories of strategic management.



2.1.1. The conventional perspective: accumulation of economic capital to ultimately create economic value.

Historically, the business model concept focused on economic value (i.e. growth and profit) from the perspective of the customer and the focal firm (Teece, 2010). Economic value creation is the dominant and homogeneous value from the perspective of the customer and the focal firm (Osterwalder & Pigneur, 2010). Business model definitions from this standpoint are explicitly or implicitly market and/or profit oriented without consideration of the interplay between business and society. In recent years, the conventional business model perspective has been challenged by the emergence of CSR. Firms are no longer able to focus solely on profit maximization (i.e. economic value) but must also provide societal value to a broader range of stakeholders (Laasch, 2018). The integration of societal value alongside economic value is leading to the reshaping of business models to address broader challenges (Bocken, Rana, & Short, 2015).

2.1.2. The sustainable perspective: accumulation of societal value to ultimately create economic value.

The development of sustainable business models integrates a new perspective based on the combination of economic value with societal value for a broader range of stakeholders (Geissdoerfer, Vladimirova, & Evans, 2018; Lüdeke-Freund, 2010). The sustainable approach is often viewed as an extension to conventional business models by adding societal objectives to create value for a broader range of actors than merely customers and shareholders (Yunus, Moingeon, & Lehmann-Ortega, 2010). Lüdeke-Freund (2010) defined a sustainable business model as the creation of competitive advantage through superior customer value while contributing to sustainable development for the firm and society. In contrast to the conventional perspective, sustainable business model thinking includes the integration of societal issues into value creation and value capture (Geissdoerfer et al., 2018). This led to the development of business models that better capture the broad range of stakeholders and societal value (Pedersen et al., 2018). For instance, Stubbs and Cocklin (2008) integrate societal outcome into business models and Osterwalder & Pigneur (2010) add environmental and social costs and benefits into the business model canvas. Finally, Joyce & Paquin (2016) combined these elements to develop a triple-layered business model canvas by adding product life cycle and stakeholder perspective.



Through the inclusion of economic and societal values in sustainable business models, researchers offer a more nuanced analysis of value (Freudenreich et al., 2020).

Many studies on business models, from both conventional and sustainable perspectives, analyze this concept as sets of elements to describe their main characteristics. Nevertheless, this interpretation of business models does not allow to clarify the theoretical foundations of the mechanisms of value capture and creation (Demil et al., 2019). A theoretical gap remains on how business models work and how they create societal value without predominantly generating profit (Dentchev et al., 2016). The sustainable perspective has not induced a shift in paradigm in the way business models are thought of; the literature remains centered on economic value creation and capture as the ultimate goal (Teece, 2010) and the societal value is seen as a support to create long-term economic value in the business model (Porter & Kramer, 2011). Exploring the business models of NPOs under this paradigm when their ultimate goal is the creation of societal value seems complex.

2.2. THE BUSINESS MODELS OF NONPROFIT ORGANIZATIONS: ACCUMULATION OF ECONOMIC CAPITAL TO ULTIMATELY CREATE SOCIETAL VALUE

2.2.1. The unique features of nonprofit organizations versus for-profit organizations.

By definition and nature, NPOs are different from FPOs (Table 1). As their names indicate, NPOs and FPOs vary greatly in some of the aspects of the overall purpose of their existence. NPOs emphasize a societal purpose rather than that of generating revenues and profit (McDonald, Masselli, & Chanda, 2019; Moore, 2000). NPOs are recognized in terms of the societal impact that allows them to report on the achievement of their mission. For instance, the NPO *Doctors without Borders* (MSF) measured its success in fighting the Ebola pandemic² by reporting the decline in the number of cases reported.

Another feature that differentiates NPOs from FPOs is their financial structure. The majority of their funds comes from donations and membership fees, not from arm-length relationships with customers. Some NPOs have an operational budget for selling products or services, but in general, this is still limited in terms of their proportion of total revenue (Froelich, 1999). Labor relationships are also specific to NPOs. They hire employees whose remuneration is usually

² The epidemic of Ebola virus disease in West Africa began spreading in 2013 and, since March 2015, has become limited to small-scale outbreaks.



lower than the for-profit sector. NPOs also rely on volunteers, a resource whose involvement and role is crucial for these organizations (Salamon & Anheier, 1992). Another major difference is that beneficiaries are not customers paying for a service. They get support for free. Moreover, beneficiaries are different from donors. Donors participate in the process of creating societal value by financing the operations of NPOs from which the beneficiaries of these actions will perceive the societal value created without an arm-length relationship to capture it because they do not pay for the societal value they receive (Foster, Kim, & Christiansen, 2009). For example, when MSF conducts a vaccination campaign, donors fund the campaign and the beneficiary receives the vaccine free of charge. The actors who participate in the process of creating societal value may be different from those who capture that value. It is a kind of two-sided gift exchange: between donors and the NPO on one side and between the NPO and beneficiaries on the other. Driven by multiple motivations that may be economic, strategic or symbolic, donors give to NPOs to enable them to fulfill their societal missions and beneficiaries benefit from the actions carried out by the NPOs without paying them.

In numerous countries, NPOs benefit from a tax-exempt status, meaning that an NPO is exempt from paying income tax on income generated from activities that are substantially related to the purposes for which the organization was granted tax-exempt status (Salamon & Anheier, 1992). Thus, the distribution model of the created value is different. Whereas the FPOs conventional model creates economic value to be split between shareholders, employees and the state, NPOs create societal value for the beneficiaries. NPOs are also unique organizations in terms of governance. NPOs are legally required to form a board of directors, in which the leaders typically consist of a non-executive board chair and a CEO or executive director. In contrast to for-profit board directors that are primarily responsible to the shareholders, the nonprofit board directors have a duty to further the charity's tax-exempt purpose, and they are legally responsible for protecting assets from fraud and misuse.


Table 1. Characteristics of NPOs versus FPOs

	NONPROFIT ORGANIZATIONS	FOR-PROFIT ORGANIZATIONS
ULTIMATE GOAL OF THE ORGANIZATION	Societal value creation (missions)	Economic value creation (growth)
FUNDING	Donors	Customers
OWNERSHIP	No person or group of people can own an NPO. It is a separate legal entity from its incorporators, directors, officers, and employees	Shareholders
GOVERNANCE	Board of directors have a duty to further the charity's tax-exempt purpose, and they are legally responsible for protecting assets from fraud and misuse	Board of directors considers the interests of the shareholders in exercising their powers and meeting their responsibilities.
LABOR RELATIONSHIPS	Volunteers and employees	Employees
VALUE CAPTURED	Split between society, beneficiaries, employees, volunteers, and NPOs.	Split between shareholders, employees, states and customers.
EXCHANGE MODEL	(Relational) Gift relationship Two-sided gift exchange	(Transactional) Arm-length relationship Two-sided market (e.g. Rochet & Tirole, 2003)

2.2.2. NPO business models: from business model and nonprofit literature

Weisbrod (1998) suggested that NPOs have different business models according to the heterogeneous nature of the nonprofit sector. Moore (2000) developed a strategic model positioning that highlighted the three key issues on which NPOs should focus: societal value to be created, sources of legitimacy and operational capacity to deliver the value. He asserted that economic value might be needed to accomplish the missions of NPOs, but the ultimate purpose is societal value creation (Moore, 2000). Foster et al. (2009) suggest that NPO *funding models* have a twofold value proposition. The first one is related to their activities (i.e. societal purpose), and the second one is linked to their donors (i.e. funding structure).

Some scholars emphasize the ongoing changes and evolutions of NPO funding models (Maier, Meyer, & Steinbereithner, 2016). Traditional NPOs, such as advocacy NPOs (Amnesty International and Greenpeace, for example), rely primarily on donations to survive (Bocquet, Cotterlaz-Rannard, & Ferrary, 2020). They receive most of their income in the forms of citizen



donations and/or government support. However, increasing competition for funding among NPOs has prompted a search for new funding opportunities to create societal value, such as the use of corporate funding or the commercialization of services or products (Bocquet et al., 2020). Nevertheless, the purpose of NPOs remains focused on the creation of societal value. Thinking about NPO business models whose purpose is the creation of societal value therefore implies a paradigm shift.

3. A BOURDIEUSIAN PERSPECTIVE ON THE BUSINESS MODELS OF NONPROFIT ORGANIZATIONS

3.1. BOURDIEU'S THEORY OF FORMS OF CAPITAL

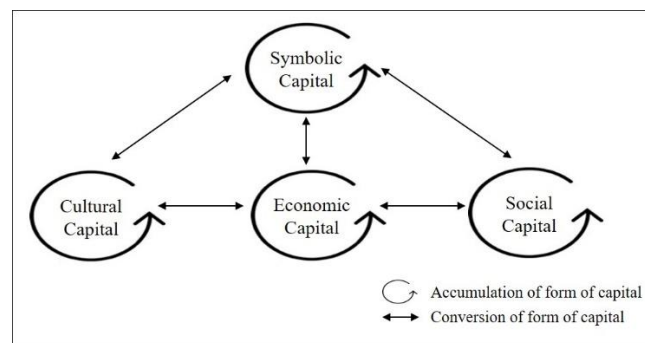
In line with scholars who emphasize the relevance of Bourdieu's research in management (e.g. Golsorkhi & Huault, 2006), we propose that Bourdieu's theory of forms of capital could support a paradigm shift that will help in understanding the NPO business models that ultimately aim at creating societal value. Bourdieu's theory emphasizes the systemic nature of the accumulation and conversion of four forms of capital: economic, social, cultural and symbolic. According to Bourdieu (1990, 1986, 1993), capital is a generalized “resource” that can assume monetary, non-monetary, tangible, and intangible forms (Bourdieu, 1986: 243). Capital is a resource whose accumulation can provide holders an advantageous position in the field in which it is produced and reproduced (Bourdieu, 1979). Bourdieu (1986, 1993) proposed four distinct forms of capital: economic, social, cultural and symbolic. *Economic capital* refers to material asset and financial resources. *Social capital* is “the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu, 1986: 248). Social capital is a network-based resource that is available in relationships whose size depends on the connections that a given agent can mobilize. Bourdieu (1986) conceptualized *cultural capital* with three dimensions. The first is the *embodied form*: cultural capital consists of permanent dispositions in the individual. Bourdieu (1986: 83) defined it as “long-lasting dispositions of the mind and body.” The second is the *objectified state*: cultural capital is defined as cultural goods, such as pictures, books, instruments, etc. The last is the *institutionalized state*: cultural capital consists of educational qualifications, such as academic degrees. Finally, the *symbolic capital* (Bourdieu, 1993: 37) is the state of “being known and recognized and is more



or less synonymous with: standing, good name, honor, fame, prestige and reputation.” Symbolic capital is the social recognition (i.e. prestige) related to the possession of all forms of capital, i.e. social, cultural and economic capital and it confers a benefit or credit “in the broadest sense, a kind of advantage, a credence, that only the group’s belief can grant to those who give it the best symbolic and material guarantees, it can be seen that the exhibition of symbolic capital which is always expensive in material terms” (Bourdieu, 1993: 120).

According to Bourdieu, the functions of the forms of capital occur through two distinct processes: accumulation and conversion (Figure 1). Each form of capital can be accumulated and then all forms of capital can be converted into another.

Figure 1. Accumulation and conversion of forms of capital



Bourdieu's theory of forms of capital has promising implications for management science because it provides tools for analyzing organizations (e.g. Emirbayer and Johnson, 2008). We propose to transpose Bourdieu's theory to an organizational level to explain the mechanisms of creation and capture of societal value in NPO business models based on the accumulation and conversion of the forms of capital. We analyze the case of NPO *Doctors without Borders* (MSF) through two specific cases (i.e. Nobel Prize and Ebola in West Africa) aiming at highlighting the mechanisms of creation and capture of societal value. To do so, we exploited secondary data helped to understand the background and capture the dynamics of the organization over time (i.e. press articles, the annual and financial reports from 1996 to 2019 for the operational center of MSF Switzerland and from 2003 for the MSF international).³ We also conducted interviews with collaborators from the MSF Switzerland operations center and MSF satellite organizations for further information (Table 2).

³ Date that MSF international started to be audited.


Table 2. Interviews of MSF collaborators

ORGANIZATION	RESPONDENTS' DEPARTMENT	DATE	TIME	INTERVIEW METHOD
OPERATIONAL CENTER OF MSF SWITZERLAND	Fundraising	Oct. 20	58 min	Face to face
	Communication	Oct. 20	58 min	Face to face
	Human Resources	Nov. 20	60 min	Zoom
MSF CRASH	Project Manager	Nov. 20	48 min	Skype
MSF- EPICENTRE	Communication	Dec. 20	30 min	Call

3.2. THE TRANSPOSITION OF THE BOURDIEU'S THEORY AT THE ORGANIZATIONAL LEVEL

Based on Bourdieu's definition of economic capital, we distinguish at the organizational level two forms that measure the stock of economic capital. Assets measure the organization's stock of economic capital and income is associated with the organization's flow of economic capital. According to our illustrative example of *Doctor without Borders* (MSF), the appreciation of accumulated economic capital can be measured by taking into account its assets (stock) and financial resources (flow). For instance, the NPO *MSF International* has accumulated a large stock of economic capital with an asset amounting to 1,260 million euros and has generated incomes amounting to 1,632 million euros in 2019.

We understand social capital at the organizational level as the network of relationships possessed by an organization (Bourdieu. 1986). An organization's relationships are socially embedded in a system whose connections are more or less important given their stock of social capital. An organization could accumulate social capital through communication actions or social events aimed at strengthening and developing its network and also by recruiting connected people (Ferrary, 2003). Considering the specific characteristics of NPOs, the number of donors and volunteers could be used to assess its stock of social capital. *MSF* is an NPO largely funded by private donors; in 2019, *MSF International* was able to mobilize approximately 6.5 million donors.⁴ For MSF, volunteers are an essential resource to ensure the organization's missions in the field, particularly during emergency interventions. MSF has developed training programs, participation in debates and a network of former volunteers to

⁴ MSF International's annual report 2020



maintain an “*active pool of volunteers*” and to be able to deploy them quickly during its missions. In 2019, the MSF Switzerland operations center counted 1,139 volunteers.

At the organizational level, the cultural capital is the accumulation of knowledge, skills and expertise, embodied by employees and volunteers and acquired through practices, experiences, education and training. MSF accumulate and formalize the skills and knowledge accumulated by its staff and volunteers in the field. For example, epidemic management intervention guides and manuals have been created as well as pre-departure training for volunteers. Similarly, a wide range of training programs (more than 1,000) has been developed through internal programs in MSF sections with the support of the MSF Healthcare Academy, whose objective is to train and formalize the learning and knowledge developed on the mission to acquire new skills and develop career plans within the MSF group. An appreciation of the cultural capital of NPOs could be measured by the skills and knowledge mobilized or produced during their mission. Since MSF is a humanitarian and medical organization, indicators to measure its stock of cultural capital could be the number of collaborators in the field and the number of departures on regular projects or the number of countries of intervention. In 2019, MSF international operates in 90 countries with more 45,000 collaborators.

Finally, symbolic capital is the recognition of other forms of capital and is materialized by a set of signs, more or less material, which may take the form of distinctions conferred by legitimate bodies or authorities, such as prizes. The attribution of these signs of recognition credits the organization with recognized prestige and legitimacy in a given field. For instance, MSF International was awarded the Nobel Peace Prize in 1999 in recognition of “*the organization’s pioneering humanitarian work on several continents*”⁵ by the Norwegian Nobel Committee. It also received other awards such as the “Green Star” from the United Nations Office in recognition of its actions in environmental emergencies and the prestigious medical Albert-Lasker Award for its combat against the Ebola virus in West Africa in 2015. The number of articles in the press could also be another appreciation of the flux of symbolic capital. As an illustration, a total of 1,056,013 press articles and 73,967 web-based publications mentioning MSF were circulated in 2019.⁶

⁵ <https://www.nobelprize.org/prizes/peace/1999/press-release/>

⁶ Nexis Uni database



3.2.1. The initial business model of MSF: the accumulation and conversion of the four forms of capital to create societal value

Since its beginning (1971), MSF's business model has been planned under this dynamic of capital accumulation and conversion. MSF has since accumulated cultural capital through its medical and humanitarian interventions due to the medical and field expertise of its eleven doctor founders. Their first mission under MSF was to bring relief to victims of the 1972 earthquake in Nicaragua. MSF has progressively expanded its interventions, between 1971 and 1980, MSF developed operations in Thailand, Lebanon and Honduras. From MSF's first missions, MSF has communicated its actions by diffusing them in the public sphere through the medical journal *Tonus*, of which two of MSF's founders were working at the time. As time went by, MSF gradually extended its actions communicating its actions in mainstream newspapers. Between 1970 and 1980, 325 articles mentioning MSF were listed,⁷ attesting to MSF's willingness to convert its cultural capital into symbolic capital. By converting its accumulated cultural capital into symbolic capital, MSF has accumulated social capital. Following MSF's first missions and the dissemination of its actions via the medical journal *Tonus* and other mainstream newspapers thereafter, MSF has expanded its network of volunteers allowing it to multiply its interventions. In 1974, three years after its creation, MSF had more than 300 volunteers. By expanding its network of volunteers and disseminating its actions, MSF began to accumulate economic capital through the multiplication of membership fees who support the organization. This dynamic of accumulation and conversion of forms of capital implemented by MSF has enabled it to create societal value. The accumulation of cultural, symbolic, social and economic capital has lead MSF to develop its medical and humanitarian interventions and create more societal value. Since the 1980s, MSF has worked in many countries such as Afghanistan, Somalia, Ethiopia and Rwanda.

3.2.2. The capture of societal value created to accumulate more of the four forms of capital

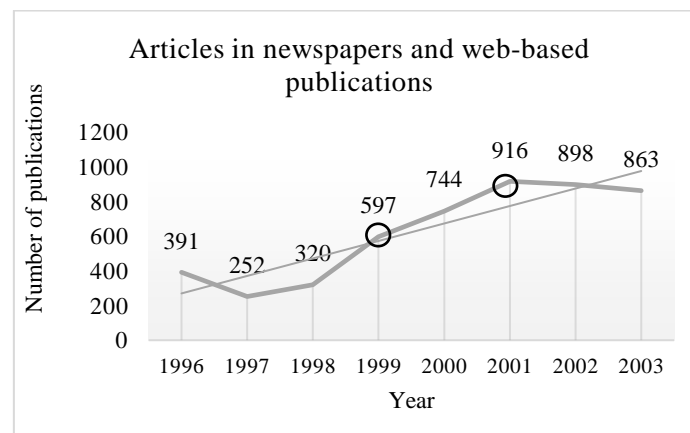
Since the creation of MSF, the dynamics of accumulation and conversion of the four forms of capital have been engaged, allowing the creation of societal value through MSF's multiple operations and interventions. The awarding of the MSF Nobel Prize in 1999 is the materialization of the social recognition of the organization's societal value creation. Its

⁷ Nexis Uni database



attribution by The Norwegian Nobel Committee was motivated in recognition of the organization's pioneering humanitarian work on several continents and is an illustration of the formalization of the mechanism of societal value capture based on the previous accumulation of the four forms of capital. According to the former President of MSF, Rony Brauman, the award will bring international stature to the organization. Beyond bringing MSF to the forefront of the international scene, this award marked a milestone; before 1999, MSF had a linear progression in the accumulation and conversion of forms of capital, while after 1999, MSF's progression was exponential. This act of social recognition clarifies the mechanism for capturing societal value by showing how the societal value created is converted by the organization. The social recognition of the societal value created has enabled MSF to strengthen the accumulation of its symbolic capital stock (Figure 2). Before the award of the Nobel Prize, newspaper articles mentioning MSF reached 252 publications in 1997 and 320 in 1998. Between 1998 and 2001, the number of publications increased by 186% to 916 articles in 2001, two years after the award of the Nobel Peace Prize.

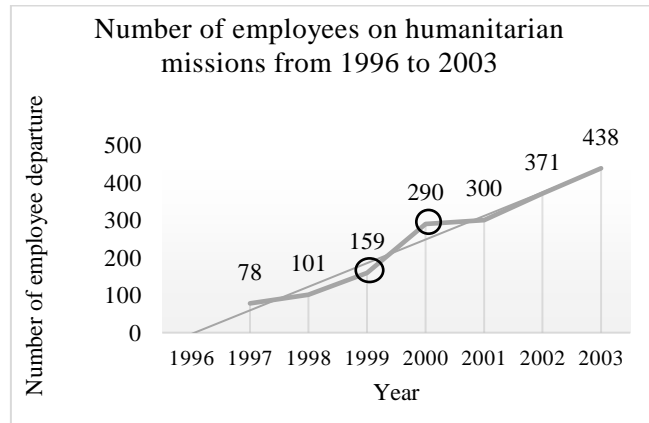
Figure 2. The societal value capture and its conversion into symbolic capital



The capture of the societal value created and its formalization through the awarding of the Nobel Peace Prize has allowed MSF to accumulate more cultural capital (Figure 3). The number of employees deployed in humanitarian missions is an indicator for measuring cultural capital; there were only 101 employees deployed in missions in 1998 while in 2000, one year after the Nobel Prize there were 290. Between 1999 and 2000, the number of employees deployed in missions increased by 82% while; for the period 1997-1998, they increased only by 30%.

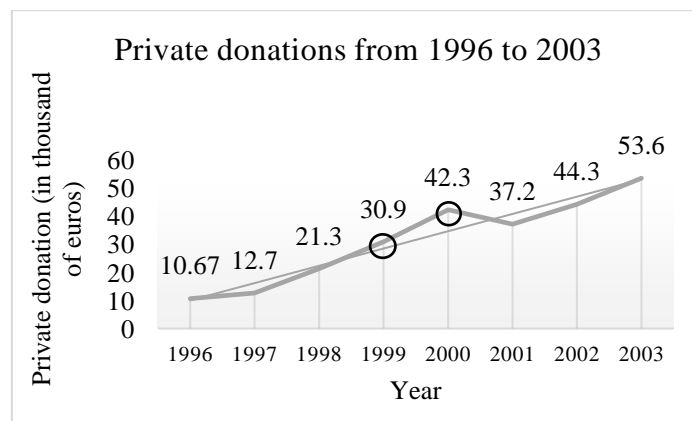


Figure 3. The societal value capture and its conversion into cultural capital



The capture of societal value has allowed the accumulation of economic capital (Figure 4). Despite the economic crisis of the 2000s, MSF experienced a sharp increase in its economic capital in 2000 when they were awarded the Nobel Peace Prize. Between 1999 and 2000, MSF saw its economic capital increase from 30.9 million to 42.3 million, an increase of 37%.

Figure 4. The societal value capture and its conversion into economic capital



The capture of societal value has allowed the accumulation of social capital. In 1998, there were just under 50,000 donors, while in 2000, the MSF Swiss section had 104,000 donors and 182,700 in 2005. This example illustrates that the creation of societal value is initiated through the accumulation of cultural capital and its conversion into all other forms of capital. The capture of the societal value created allows MSF to accumulate more of all forms of capital.



4. THE FOUR BLADES MODEL OF THE SOCIETAL VALUE CREATION AND CAPTURE OF THE NPO BUSINESS MODELS

The transposition of Bourdieu's theory on forms of capital at the organizational level opens new directions to explain the differentiated mechanisms underlying the creation and capture of societal value: virtuous circles of societal value creation and capture.

4.1. VIRTUOUS CIRCLES OF SOCIETAL VALUE CREATION

Before the creation of societal value, the NPOs need to accumulate and convert all forms of capital among one another. The mechanism of societal value creation would be determined by the organization's capacity to accumulate and convert forms of capital, and thus create virtuous circles of societal value creation. The illustrative case of MSF clarifies this mechanism based on the dynamics of the forms of capital proposed by Bourdieu. To do so, we explore societal value creation during MSF's response to the Ebola virus epidemic in West Africa.⁸

Through its previous missions in epidemiology such as HIV in Central and West Africa or meningitis in Niger, and its involvement since 1995 in the fight against infectious diseases, MSF, through its employees and volunteers, have accumulated cultural capital (i.e. knowledge and expertise) in infectious epidemiology. The expertise of its employees and volunteers has enabled MSF to formalize the knowledge acquired in the field by developing internal manuals and guides on epidemic management practices to train volunteers before they are deployed on missions. During the Ebola epidemic, MSF provided training to transfer medical knowledge and practices before the departure of its medical staff to West Africa in addition to training local medical staff. Approximately 3,000 medical staff were reportedly recruited and trained locally to combat this epidemic.

From 2013, the international mobilization, widely reported by the media, brought this virus to the international scene and “*the expertise of MSF as the only organization at that time that had the knowledge and skills to manage such an epidemic*”. Between 2013 and 2014, press and web-based media coverage mentioning MSF increased by 106%, while for the period 2012 and 2013, the increase was only 41%. The media impact of the Ebola virus and, at the same time, the recognition of MSF's epidemiological expertise as the leader at that time was particularly

⁸ The epidemic of Ebola virus disease in West Africa began spreading in 2013 and, since March 2015, has become limited to small-scale outbreaks.



striking (i.e. conversion of its cultural into symbolic capital). Moreover, MSF created the Center for Reflection on Humanitarian Action and Knowledge (MSF-Crash)⁹ to *"establish links with stakeholders (experts, researchers, universities, research institutes, journalists) that the MSF operational centers have not been able to create because these stakeholders are not in the first sphere of the organization's stakeholders"* supporting MSF for converting cultural capital into symbolic capital.

Recognition of MSF's expertise in epidemiology has been converted into social capital. Volunteers are an essential resource to ensure the organization's missions in the field, particularly during emergency interventions. MSF has developed training programs to maintain this *"active pool of volunteers"*. The role of the *"pool managers"* is essential in this process as they are the guarantor of maintaining a sufficient pool of volunteers ready to be deployed in the field during medical and humanitarian emergencies. The number of MSF volunteers deployed on missions for Ebola increased by 37% between 2012 and 2013, compared to an increase of only 2% between 2011 and 2012. The MSF's communication and fundraising department also mobilizes its donor network to maintain and develop it to attract more donations (i.e. conversion of social capital into economic capital) to fundraising campaigns. To maintain close communication on these actions with its donors, MSF organizes "social events" such as photo exhibitions or sessions dedicated to sharing experiences with MSF doctors who have returned from their missions. MSF also invites major donors to experience the operations of MSF in the field by accompanying its medical staff on specific missions. In 2013, 213,797 donors funded the MSF Switzerland section.

During the Ebola pandemic, MSF was so much in demand during its fundraising campaign that it was forced to refuse donations (i.e. economic capital) because it had reached its limits in terms of logistics and medical staff.¹⁰ According to MSF financial reports, the organization reported a huge increase in its stock and flow of economic capital between 2013 and 2014, which corresponds to the beginning of the Ebola epidemic in West Africa. Between 2013 and 2014, the stock of economic capital (asset) jumped by 37.5% and the flow of economic capital (income) increased strongly, by 26.9% between 2013 and 2014.

⁹ Created in 1999 by MSF, the main purpose of *MSF-Crash* is to inspire debate and critical reflexion on field practices and public positions, in order to improve the MSF's actions (<https://www.msf-crash.org>)

¹⁰<https://www.lefigaro.fr/conjoncture/2014/10/16/20002-20141016ARTFIG00134-pres-d-11-milliard-de-dollars-de-dons-pour-la-lutte-contre-ebola.php>



Through this example, the accumulation and conversion of forms of capital *ex-ante* appear to be fundamental for creating societal value. The societal value creation capability depends on the combination of the accumulated and converted four forms of capital. We suggest that the four blades (i.e. the four forms of capital) constitute an interdependent system that is essential to the creation of societal value. This leads us to propose:

Proposition 1: *The capability to accumulate and convert complementary forms of capital determines the capability of NPOs to create societal value.*

4.2. VIRTUOUS CIRCLES OF SOCIETAL VALUE CAPTURE

MSF's societal value creation through its Ebola operations was then converted, allowing MSF to capture the societal value created to accumulate more of the four forms of capital. The recognition of its operations to fight the Ebola virus has enabled MSF to maintain its position as a leader in the management of epidemics. In 2015, in recognition of its fight against Ebola in West Africa, MSF received the prestigious Albert-Lasker Medical Award. In 2016, MSF largely received outreach (i.e. symbolic capital) because of its action against Ebola. Between 2014 and 2016, MSF had the highest number of press articles and web-based publications, more than 4000 articles each year.¹¹

MSF has also converted the societal value created into the accumulation of cultural capital. In 1986, MSF launched *MSF-Epicentre*¹² with the aim of conducting epidemiological studies and evaluations in the field. *MSF-Epicentre* is an entity for formalizing knowledge produced by MSF; it generates scientific knowledge from the data collected in the field by its teams in order to communicate it to the academic world, advance research and be recognized by its peers. For instance, through its *MSF-Epicentre* structure, MSF has co-published 30 scientific articles related to Ebola with researchers from universities and research institutes such as Harvard Medical School.¹³ MSF international has also created in 2017 the "MSF Academy for Healthcare" with the dual objective of training its medical staff in the field to provide care

¹¹ Between 2006 and 2012, articles (press and media) are on average 608 per year.

¹² Created in 1986 by MSF, Epicentre is a nonprofit organization, with a two-fold mission: research and training to support MSF teams in conducting operational response

¹³ For examples MSF-Epicentre has published: Gignoux, E., Idowu, R., Bawo, L., Hurum, L., Sprecher, A., Bastard, M., & Porten, K. (2015). Use of capture–recapture to estimate underreporting of Ebola virus disease, Montserrado County, Liberia. *Emerging Infectious Diseases*, 21(12), 2265.



according to MSF standards and protocols and developing new skills to build and retain high potential staff and volunteers within the organization by awarding them diplomas in humanitarian medical action or infectious diseases. In 2019, more than 470 healthcare workers have benefited or are still benefiting from these programs. Through its expertise in epidemiology, MSF was also one of the first organizations to become involved in the fight against Covid-19 in Europe (Italy and France) and around the world to support healthcare services.

MSF has also converted the societal value created into the accumulation of economic capital. The creation of societal value related to the control of the Ebola epidemic allowed MSF to accumulate economic capital after these missions were completed. The fundraising department relies on communications campaigns to convert this societal value created into economic capital, by increasing the amount of donations. Between 2015 and 2017, the fundraising department of MSF's Swiss operations center experienced a 20% increase in its income (i.e. economic capital). In 2015, its revenues were 192 million euros and in 2017 they were 231 million euros. MSF has therefore successfully converted this societal value created into economic capital. Finally, MSF has converted this societal value into social capital. After its actions against the Ebola virus, MSF attracted new donors with a 3% increase in the number of donors between 2015 and 2017, from 237,128 to 243,749 donors. For the same period, MSF deployed 30% more volunteers on missions.

The societal value created is then captured by the organization. The mechanism for capturing societal value is through the conversion of societal value into the accumulation of the four forms of capital. To support NPO business models from a long-term perspective, NPOs need to be able to convert the societal value created into the other four forms of capital to fuel the self-sustaining virtuous circle of societal value creation and capture. Thus, we propose:

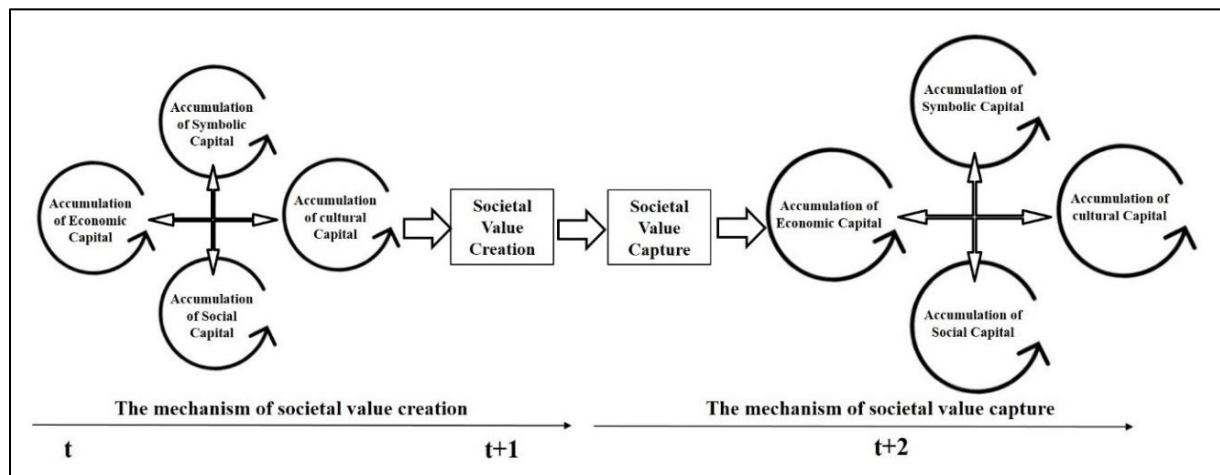
Proposition 2: *The capability to capture created societal value into the four forms of capital supports NPO business models from a long-term perspective.*

Through the illustrative case of MSF, we highlight that the mechanisms of creation and capture of societal value are based on the dynamics of accumulation and conversion of forms of capital. Figure 6 illustrates the complete process of NPO business models. The accumulation and conversion of the four forms of capital *ex-ante* enable the creation of societal value *ex post*. The



societal value is then converted (i.e. mechanism for capturing the societal value created) to further accumulate the four forms of capital and ensure the sustainability of the NPO business model.

Figure 6. The mechanisms of societal value creation and capture in NPO business models



4.3. VICIOUS CIRCLES OF SOCIETAL VALUE CREATION AND CAPTURE

The previous proposals imply that the mechanisms of societal value creation and capture in NPO business models are based on the capability of these organizations to accumulate and convert all forms of capital. Nevertheless, in practice, not all NPOs fit into this configuration of virtual circles. In contrast to self-perpetuating virtuous circles of societal value creation and capture described so far, we raise the question of a finer analysis by highlighting vicious circles of the destruction of societal value. Understanding vicious circles can help illustrate why some organizations fail to create societal value and therefore fail to capture it. The example of the NPO Oxfam, whose mission is to fight inequality to defeat poverty, allows us to illustrate the vicious circle.

Since 2011, the future of Oxfam GB remains at stake after the revelations in 2018 of sexual abuse committed by its aid workers in the aftermath of the 2010 earthquake in Haiti. It turned out that the charity had been aware of these abuses since 2011, but failed to acknowledge them publicly, allowing the responsible country director, Roland van Hauwermeiren, to resign. Oxfam GB is currently the subject of an internal investigation into sexual misconduct, accountability and culture change. It is also investigating the suspected involvement of its



humanitarian workers in a new sex-for-aid scandal in several African countries.¹⁴ The watchdog for charities in England and Wales, led to the group being issued with an official warning that it had failed to address the Haiti allegations adequately, which date back to 2011, and its handling of safeguarding matters before the claims became public in 2018.¹⁵

These facts have affected the mechanisms of societal value creation and capture. After the publication of its latest annual report (2018-2019), Oxfam GB said it was unable to quantify the impact of the scandal on citizen donations, but that 7,000 supporters stopped donating immediately after the scandal. Mr Sriskandarajah (Oxfam's new chief executive) said that £14 million in revenue (i.e. economic capital) had been lost because of the Haiti scandal. In addition to decreases in citizen donations to Oxfam, the organization is recording exceptional costs represented by anticipated funds related to severance and other one-time costs resulting from media coverage of Haiti issues. From the Oxfam GB's annual report (2018-2019: 11): *"the negative impact of past safeguarding failings in Haiti was, as expected, reflected within our annual accounts as some supporters decided not to continue their support of Oxfam. Similarly, there was a reduction in the level of income from institutional donors compared with the previous year. We anticipated that this would have an adverse impact on our income so we reduced our costs to ensure we could live within our means (...). This meant a reduction in staff roles in Oxfam GB."* In March 2019, Oxfam GB employed 5,054 people, a decrease of 4.2% compared to the number of people employed in March 2018 (i.e. its cultural capital). According to Oxfam GB's annual reports, there has been a significant decrease in the number of volunteers (i.e. its social capital) by almost 20% between 2018 and 2019. According to a study conducted in 2018, the symbolic capital of this NPO was negatively impacted. This study used Twitter to show the gap between the proportions of negative and positive communication about the NPO. Before the Haiti scandal, Oxfam gap averaged 75% but after the scandal the gap plummeted to minus 88%, i.e., there were more negative reviews (tweets) on Oxfam than positive ones. The authors also showed that six months later, Oxfam's reputation measured this way had not fully recovered.¹⁶

¹⁴ <https://www.bbc.com/news/uk-44496430>

¹⁵ <https://www.ft.com/content/16384460-8c40-11e9-a1c1-51bf8f989972>

¹⁶ <https://theconversation.com/restoring-the-reputations-of-charities-after-scandals-130639>. Article based on the academic study (e.g. Scurlock, Dolsak, & Prakash (2020). Recovering from Scandals: Twitter Coverage of Oxfam and Save the Children Scandals. VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, 31(1), 94-110).



This illustration reveals how the different forms of capital have been destroyed, hindering the mechanisms of societal value creation and capture. These revelations have particularly affected its symbolic capital (negative criticisms of the NPO), its economic capital (drop in donations from citizen and state), its social capital (decline in the number of volunteers and weakening of the donor network) as well as its cultural capital (decline in the number of employees). The destruction of all forms of capital hinders the creation of societal value, which relies to the capacity of accumulation and conversion between forms of capital, calling into question the sustainability of its business model and its ability to carry out its missions. Based on these examples, we suggest:

Proposition 3: *The interdependency of the four forms of capital supporting the business model to create and capture societal value may trigger a vicious circle if one form of capital is destroyed.*

5. DISCUSSION AND CONCLUSION

5.1. DISCUSSION AND CONTRIBUTIONS

Recent contributions to the business model concept have shown the need to rethink the concept of value in all its dimensions and to explicate the mechanisms of value creation and capture. To date, it is challenging to understand the mechanisms underlying the creation and capture of value in organizations such as NPOs for whom the primary purpose is to create societal value (Dentchev et al. 2016). However, our framework, based on Bourdieu's theory of forms of capital, offers a novel approach from a paradigm shift to explain the mechanisms of societal value creation and capture. Considering societal value creation and capture from a systemic model put forward the idea that the capability to create and capture long-term societal value in a business model relies on the combination of the four forms of capital. We support the idea that the mechanism underlying societal value creation relies on the capacity of an organization to accumulate and to convert all forms of capital. The societal value capture relies on the replication capability of accumulation and conversion of forms of capital.

Furthermore, we provide a nuanced analysis of the business models and societal value creation and capture by showing that not all organizations enter into a self-sustaining virtuous circle of societal value creation and capture, since the destruction of forms of capital can debilitate the process of conversion and thus, the societal value creation and capture of the business model.



According to our model, the destruction of one form of capital (i.e. self-destructive vicious circles) has negative consequences on an organization's capability to accumulate other forms of capital, thus compromising the sustainability of its business model.

Our article also responds to a lack of knowledge about NPO business models, despite theoretical and practical insights that show the importance of better understanding the business models of these organizations (Peng & Liang, 2019). The Bourdieusian theory provides a theoretical framework that seems well adapted to study NPO business models because it incorporates other dimensions beyond the economic one. Thus, we show that societal value creation and capture depends on the capability of organizations to accumulate and convert all forms of capital. We therefore underline the importance for these organizations to take into account all forms of capital and not to prioritize one over the others.

5.2. LIMITATIONS AND AREAS FOR FUTURE RESEARCH

Despite the theoretical contributions of this paper to the literature on business models and the nonprofit sector, this research has limitations. Our conceptual model remains general, whereas in practice NPOs are heterogeneous in terms of mission, size, or funding model. To consolidate and operationalize our model, longitudinal cases could be conducted. This research does open up new perspectives. Our theoretical framework could lead to a better understanding of the business models of hybrid organizations. This would be of particular interest considering that over the last decade, an increasing number of NPOs have gradually converted to social enterprises in response to a competitive environment to achieve societal missions under financial sustainability (Peng & Liang, 2019).



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