INTRODUCTION

In the past few years, there has been an increasing recognition among management scholars that important points of connection exist between the insights of institutional theory and entrepreneurship, i.e. the processes of founding and managing new organizations (Bruton, Ahlstrom, & Li, 2010; Hwang & Powell, 2005; Jennings, Greenwood, Lounsbury, & Suddaby, 2013; Pacheco, York, Dean, & Sarasvathy, 2010; Sine & David, 2010; Tolbert, David, & Sine, 2011). In spite of efforts to cross-fertilize these previously unconnected streams of research, the application of theory from one domain to another has proven to be challenging. Entrepreneurship scholars have been encouraged to expand their understanding of institutional theory and its application beyond the impact of national culture on the individual behaviours of entrepreneurs (Bruton et al., 2010). Notwithstanding these suggestions, Jennings and colleagues (2013: 1-2) recently acknowledged that “the burgeoning research in sociology and management […] has yet to be exploited by entrepreneurial scholars”. Similarly, institutional theorists have been cautioned against the danger of “stretching” institutional concepts too far to “cover micro level entrepreneurial processes” (Aldrich, 2010: 330). Specifically, some entrepreneurship scholars have expressed concerns for the ubiquitous evocation of overly-successful ‘institutional entrepreneurs’ (Aldrich, 2010), whereas others have more leniently suggested that “sociological approaches to institutional entrepreneurship have not extensively embraced the rich conceptualizations and understandings of entrepreneurship research” (Pacheco et al., 2010: 977).

In this paper, we seek to contribute to the conversation between the institutional and the entrepreneurship domains by reaffirming the fruitfulness of applying an institutional approach to entrepreneurship phenomena. To this end, we suggest that a sensible place to start is to examine a topic that is of utmost importance for both institutional and entrepreneurship scholars, yet has not been investigated with an integrative lens: entrepreneurial failure. Failure of newly founded, entrepreneurial firms is a central theme in entrepreneurship scholarship, not only because the mortality rate of these firms is very high (Bruderl & Schussler, 1990; Laitinen, 1992; McGrath, 1999), but also because business failure has profound consequences for organizations, individuals and society (Cardon, Stevens, & Potter, 2011; Shepherd, 2003).

We suggest that the study of entrepreneurial failure offers an excellent setting to fruitfully integrate the institutional and entrepreneurship streams of research by (i) illuminating
the ways in which institutions shape entrepreneurial decisions and (ii) elucidating the conditions that lead entrepreneurs to (unsuccessfully) navigate the institutional environment and potentially to fail to ensure the survival of their ventures. The research question motivating this paper is therefore: How do institutions enable and/or constrain entrepreneurs’ attempts to legitimate new ventures? To address this question, we draw on the context of professional sport and examine the unsuccessful attempts to create a women professional volleyball league in the United States.

Women’s volleyball, founded at the end of the 19th century, grew in popularity in the 1970s. Today, volleyball is the third most-participated sport at the interscholastic level, organized by the National Federation of State High School Associations (NFHS) (National Federation, 2011) and the second-most participated sport at the intercollegiate level, governed by the National Collegiate Athletic Association (NCAA) (NCAA, 2010). In spite of the high number of athletes that participate at the interscholastic and intercollegiate level every year and multiple attempts to start women professional volleyball leagues, every single league ceased activity within five years of its creation. As of today, a professional women volleyball league does not exist in the United States. Importantly, the case of women volleyball leagues illustrates how an entrepreneurial failure – i.e. the failure of new ventures seeking to create a market for volleyball as a professional competitive sport – is deeply connected to an institutional entrepreneurship failure – i.e. the failure of a collective attempt to associate women volleyball with an institutional logic of profit-seeking sport entertainment.

To investigate the conditions that prevented those entrepreneurial ventures to become sustainable and survive, we designed an historical multiple case study. Specifically, we collected available archival data for the three failed women volleyball leagues in the United States – Major League Volleyball (MLV, 1987-1989), National Volleyball Association (NVA, 1993-1998), and United States Professional Volleyball League (USPV, 2002-2003) – and conducted interviews with their founders and members. Our findings show that the entrepreneurs of the U.S. leagues failed to gather sufficient resources to sustain their leagues beyond the start-up phase. While the entrepreneurship literature typically attributes this unfortunate outcome to individual and organizational “mistakes” or accidental “misfortunes”, an institutional lens points attention to the temporal orientation of entrepreneurs and the timely use of framing as a cultural resource. This theoretical perspective illuminates how the broader institutional context in which individual entrepreneurial efforts are situated, if not properly recognized, may represent a cultural impediment to the creation of new ventures and contribute to their demise.

ENTREPRENEURIAL FAILURES OF US WOMEN VOLLEYBALL LEAGUES

The story of the three failed professional women volleyball leagues is a complex one. On one hand, the leagues could pride themselves on having recruited high caliber players who were eager to participate in the league and attracted crowds to their games because they were considered role models by younger athletes. On the other hand, the leagues experienced incredible difficulties in attracting stable sources of revenues and eventually failed because of the lack of funding to sustain operations. In short, the three leagues had to discontinue their operations because of financial struggles. The leagues experienced an overall lack of profitability due to poor ticket sales, the inability to secure stable sponsorship and TV exposure, and investments that did not turn into profits. As our narrative shows, these failures can be attributed to “mistakes” that founders and owners made – e.g. lack of local ownership of the franchises, the way the teams were promoted, lack of adequate planning and careful budgeting – further...
aggravated by “misfortunes” – e.g. change in ownership in the sponsorship companies and a
thought marketplace. We suggest, however, that this explanation is too simplistic and our findings
reveal a more nuanced story. If we conceptualize organizations as embedded in a broader
institutional environment and as part of a relatively longer institutional project, it becomes more
evident the role of leagues’ organizers as cultural entrepreneurs and the critical part that “time”
played in the demise of their ventures.

Theorizing the role of temporal orientation and framing sequence in entrepreneurial
failure

In his insightful review of the theoretical connections between institutional theory and
entrepreneurship, Aldrich (2010: 351) argues that the institutional approach “doesn’t deal well
with duration, pacing, required level of effort and so forth.” Institutionalists assume that the
institutional clock moves very slowly and include “history” in their empirical models but “don’t
give us a sense of time passing.” In contrast, Aldrich continues, entrepreneurial scholars have a
good understanding of time and pacing of entrepreneurial efforts: “we know that it takes about
one and a half years to go from initiating the effort to an established business; we know that a
team of nascent entrepreneurs will invest more than one year in a startup effort”. The
entrepreneurial clock moves much faster than the institutional one. In other words, the temporal
orientation of entrepreneurs is relatively short when compared to the one of institutionalists.

Our findings reveal that the relationship between the ‘entrepreneurial’ and the
‘institutional’ temporal orientation is critical for understanding the unsuccessful outcome of
entrepreneurial endeavors of women volleyball leagues’ organizers. Specifically, the case of the
US women volleyball leagues shows that time is connected to entrepreneurial failure in two
important ways. First, the leagues entrepreneurs’ behavior was informed by a typical
entrepreneurial temporal orientation. That is, they sought to develop a successful product, gain
legitimacy and recognition for their organizations, and reach profitability for their
entrepreneurial projects in a relatively short period of time, i.e. two to five years. By doing so,
however, those entrepreneurs overlooked to consider that not only their organizations, but the
entire ‘industry’ required legitimization. That is, the conceptualization of women volleyball as a
professional sport was much in need of gaining social acceptance (Aldrich & Fiol, 1994;
Zimmerman & Zeitz, 2002). US leagues’ organizers failed to recognize their role as
cultural/institutional entrepreneurs – actors who alter existing systems of norms, beliefs and
values and seek to introduce new social and cultural forms (Lounsbury & Glynn, 2001; Battilana
et al., 2009; Maguire & Hardy, 2008). As the institutional approach suggests, altering patterned
behaviors that are infused with meanings and perpetuated by social exchanges requires a much
longer time; the duration of these changes is typically years, if not decades. Hence, there was an
asynchrony between the entrepreneurial and the institutional temporal orientation, which
contributed to the repeated failures of US women volleyball leagues.

Second, potentially as a result of the entrepreneurs’ blindness to – or misinterpretation of
– the institutional environment, leagues’ founders utilized a set of cultural resources – i.e. frames
– that proved to be inadequate to gain the necessary legitimacy for women volleyball leagues.
Women volleyball struggled to be recognized by the media and corporate sponsors as a
professional sport and misconceptions tended to relegate it to a recreational or college-level
sport. Leagues’ organizers, however, sought to align the missions of their organizations and
frame their offering as a ‘sport entertainment product’ able to compete with the established
entertainment machines of professional sports such as baseball, football, and basketball. The lack of success in securing sponsors and sustain their operation beyond the founding years was the consequence of the misalignment in framing. Critically, we suggest that it was not the content of those frames that was inappropriate – i.e. the fact that the content did not resonate with targeted audiences – but their wrong timing that is primarily responsible for the leagues’ demise. Further, we argue that the process of legitimating, at least in our setting, is based upon a framing sequence – from college sport to professional to sport entertainment that does not accept and/or reward ‘fast forward’ jumping. We elaborate these findings below.

The asynchrony between the ‘entrepreneurial’ and the ‘institutional’ temporal orientation

The founders of the US women volleyball leagues were driven by the steady conviction that women volleyball was ready to move from being one of the most practiced and loved sports at the college level to being a professional sport around which to build a market entertainment machine. As typical of newly-founded organizations, the three leagues – MLV, NVA, and USPV – focused their initial efforts on securing start-up financial capital to develop and market the product (i.e. the teams). Interestingly, our analysis reveals that (i) entrepreneurs considered the notion of time crucial for enabling their ventures to be successful; (ii) the recognition of how much time would be needed to build a successful league increased as previously failed leagues were set as examples; but (iii) despite learning from previous failures, the asynchrony between the temporal orientation of the entrepreneurs and the institutional environment persisted.

First, all three leagues realized that women volleyball was unfamiliar to the general public and the big crowds of sport fans. Thus, the sport needed to be marketed heavily in order to accelerate the process of understanding, recognition, acceptance and legitimacy of women volleyball as an entertaining professional sport. Not surprisingly, the leagues’ focus was on TV contracts, corporate sponsorship, and coverage by newspapers, regarded as fundamental channels through which the visibility and exposure of the leagues could be enhanced.

When comparing the three leagues, it is noticeable that the third league (USPV) tried to capitalize on the lessons learned from the previous two failures. For example, while the MLV and the NVA shared the attitude “go big or go home” targeting the biggest cities or expanding very rapidly, USPV devoted much effort to build its internal organizational structure, devoted large amount of resources to marketing and public relations activities and, critically, proffered a grassroots approach as the most suitable to sustain the long-term commitment that starting a new league required. Bill Kennedy, the USPV founder, called this approach “crawl, walk, and run”.

Despite the founder’s business acumen and the recognition that women volleyball needed more than just accelerated exposure to be legitimized, not even the USPV recognized that early professional football and basketball league owners did not conceive owning a sport team as a business opportunity. Owners engaged in the development of early sports’ franchises more so for their enjoyment and passion for the sport than their potential for generating profits. For example, the owners of the early NFL teams were millionaires who made their fortunes in bookmaking and the radio industry or who had inherited their money. These men were young professionals who liked the sport and sought to gain visibility rather than profits through owning an NFL team (Coenen, 2005). Hence, they were willing and capable of sustaining substantial losses for many years, during which the sport grew in popularity and recognition from the general public. Bert Bell, for instance, who inherited his fortune from his wife and became the owner of the Philadelphia Eagles in 1933, lost $80,000 between 1933 to 1936 and even larger sums in the
following years. Similarly, Arthur Rooney – the owner of the Pittsburg Steelers – made as much as $256,000 in a single day betting on horses, and used them to buy the franchise. Rooney, however, lost money every single season. He once said: “I’d pay to lose money just to keep in this game. I love it that much.” He also added: “We might lose a lot of money, but we’ll have a lot of laughs” (Coenen, 2005: 83). Along the same lines, the owners of the early NBA franchises were not profit seekers. In the early 1950s most NBA franchises were far from being profitable. Even the three-time World Champion Lakers lost more than $11,000 per season in the early 1950s (Kirchberg, 2007). The persistence of these pioneers of professional sports in sustaining their teams and encouraging the sports they enjoyed made them act as institutional entrepreneurs, slowly building legitimacy for football and basketball as professional sports and providing the foundation for them to become major entertainment offerings.

In contrast, volleyball leagues owners were unable to engage in a similar institutional project without the support of major investors. In what appeared to be a vicious cycle, owners could not sustain the financial burden without external investors; corporate sponsors, however, were not willing to invest millions in a project with highly uncertain returns and the need of a long-term commitment. As a commentator noted, “volleyball is one of the most popular participation sports in America. And one of the most misunderstood for spectators. Taught in gym classes, played at picnics and booming at the beach, the sport has zoomed into national consciousness but the six-person indoor game remains an enigma” (Chicago Sun-Times, October 1, 1995). We suggest that a fundamental reason why this vicious cycle could not be broken is that leagues’ entrepreneurs persisted in framing their enterprises as profit-seeking business ventures seeking to capitalize on the ‘selling’ of women volleyball as a sport entertainment product. Such framing did not resonate at the time with the perception that targeted audiences – the public, media and corporate sponsors – had of women volleyball. Specifically, leagues’ entrepreneurs made use of a framing that did not respect the framing sequence that is typically found in the evolution of sports.

The breach of framing sequence

The history of major professional sports in the United States, e.g. football, basketball, and baseball, reveals a patterned trajectory of development associated with a parallel path of legitimization: (i) recreational sport, (ii) college-level sport, (iii) professional sport, and (iv) sport entertainment. Sports that are today very popular and on which an entertainment business has been built were not at all that glamorous in the early days. Football, for example, was played at the college level since the late 1860s and thrived at the end of the 19th century outside colleges; non-college games, however, were dismissed because associated with violence, gambling, and corruption of men’s morals. Early professional football leagues, therefore, struggled to survive (Coenen, 2005). All the well-known professional leagues – National Football League, National Basketball Association, and Major League Baseball – followed a long and painful path to legitimation of the sport and profitability of the organizations, littered by stories of failed attempts and bankruptcy before reaching the current laurels. Importantly, not all sports and leagues have followed such a trajectory. In the context of sport there are also many examples of organizations devoted to sport that are “professional”, i.e. “athletes are compensated” (Pederson, Parks, Quaterman, & Thibault, 2011: 122), but that have not become entertainment products for large crowds.
Understanding the landscape of US professional leagues is helpful to explain why the framing of leagues’ entrepreneurs failed to resonate with the audiences and attract resources. Leagues’ entrepreneurs faced a double challenge. First, despite its popularity at the college level and the fact that players were paid, volleyball was hardly considered a “professional” sport. Second, women volleyball as a professional sport was even less understandable and more culturally problematic for the public, the media and the corporate sponsors. The organizers of the women leagues were aware of the risk that their new ventures entailed. Nevertheless, players, coaches and leagues’ founders believed that lack of visibility and recognition was the main obstacle for women volleyball to thrive and succeed. As a player commented in an interview, “Once they see us play they see it's exciting. It's not just for picnics.” (The Record, February 9, 1995) The leagues’ entrepreneurs seemingly underestimated the cultural and institutional challenge that their endeavours entailed. As a consequence, the audiences they targeted – i.e. national media, corporate sponsors, large crowds of sport fans – and the framing they embraced and proffered – i.e. leagues as profit-seeking ventures offering a large-scale entertainment product – failed to resonate not because of their content but because they were ‘before their time’. That is, from a cultural standpoint, the gap between the social legitimacy ascribed to women volleyball and the projected legitimacy that the framing sought to achieve was too wide to be filled in the short time that the entrepreneurs had available before succumbing to financial pressures. Such change would have required a much longer time frame, necessary to address broader issues which eventually contributed to the leagues’ failures. The leagues’ failure was rooted, among other factors, in a persistent gender inequality in women sport.

CONCLUSIONS

In this paper we have sought to better understand the failure of new ventures by connecting the insights provided by entrepreneurship scholars with an institutional approach centered upon the notion of culture as a resource (Swindler, 1986) and framing as a strategic device to achieve legitimacy (Lounsbury & Glynn, 2001; Benford & Snow, 2000). Our paper makes three theoretical contributions. First, we contribute to the entrepreneurship literature by providing a more nuanced view of the potential causes of entrepreneurial failure. Second, our findings contribute to connecting institutional and entrepreneurship scholarship by heeding Aldrich’s (2010) call for more attention to the role of time in institutional and entrepreneurial processes. Finally, we provide a novel direction for cultural entrepreneurship scholars to think about narratives and framing. Whereas most of the literature has thus far focused on the content of the framing, we suggest that is equally promising to explore when a particular frame is being used, i.e. its timing. Understanding why certain narratives or framing used by entrepreneurs are (or are not) effective – are “resonant” to their targeted audiences – might require scholars to be attentive not only at what is said, but also at when is said. Our paper seeks to make an important first step in this direction.

REFERENCES AVAILABLE FROM THE AUTHORS