

**FUNDING THE STORY OF HYBRID VENTURES:
CROWDFUNDER LENDING PREFERENCES AND LINGUISTIC HYBRIDITY**

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ABSTRACT

Prosocial crowdfunding platforms are venues for individual lenders to allocate resources to ventures that specifically pursue economic and social value. In a setting where hybridity is expected, do crowdfunders respond positively to category-spanning ventures, or do they prefer to fund ventures that are more clearly situated within a single category? Drawing on theory rooted in category membership and spanning, our hypotheses test whether prosocial crowdfunding lenders will more quickly allocate resources to hybrid microenterprises that communicate their hybridity, or to those that communicate a single one of their dual aims. Our study demonstrates that even in such a setting, crowdfunders lend more quickly to microenterprises that position themselves within a single linguistic category in which the social is emphasized over the economic. This suggests that how hybrid organizations position themselves in their linguistic narratives has a significant impact on resource allocation by external prosocial audiences.

KEYWORDS:

Hybrid organizations; prosocial organizing; categories; crowdfunding; social entrepreneurship

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1. Executive Summary

Creating and delivering both social and economic value has become a key area of academic interest in entrepreneurship. Much of this research has revolved around the concept of organizational hybridity. Hybrid organizations frequently mix characteristics of market and non-market elements. The explosion of research on hybrid organizations has explored how they build an organizational identity, manage their dual performance objectives, and remain accountable to multiple stakeholders. Yet there are challenges to organizational hybridity because when ventures pursue both social and economic aims they fit poorly into established categories. Hybrid ventures prototypically span categorical boundaries. Category-spanning ventures may thus have greater difficulty garnering resources from external audiences than ventures that fit cleanly into established categories because audiences are less able to make sense of such organizations and are less likely to view them as appealing.

We draw from the literature on categories to focus specifically on the linguistic features of hybrid organizations in the current study. The categories perspective focuses attention on how hybrid organizations communicate the value they pursue and how external audiences respond to that positioning. We consider hybrid organizations seeking capital through an online prosocial crowdfunding platform in which they present venture narratives. We ask, are lenders more likely to fund ventures that communicate linguistic plurality in their narratives, or do they prefer to fund ventures that communicate a single linguistic category? We explore this question by observing the funding patterns of microenterprises through an online crowdfunding platform, Kiva. The tagline of Kiva is to create “loans that change lives” by linking individual lenders to disadvantaged microentrepreneurs. The platform is recognized for identifying hybrid microenterprises with a strong social mandate combined with financial sustainability goals as

funding targets. Further, the platform itself draws a skewed sample of socially conscious lenders, who have chosen Kiva instead of more formal investment or charitable outlets. We demonstrate that prosocial crowdfunding lenders will more quickly fund microenterprises that evoke either a social or an economic category rather than appealing to both categories simultaneously.

Our findings make three key contributions. First, we contribute to the literature on hybrid organizations and categorization by focusing on how communication of linguistic category spanning influences resource allocation from external audiences in a context where hybrids are an expected form. Second, we contribute to the literature in entrepreneurship by exploring how categorical positioning in prosocial crowdfunding might be related to crowdfunding outcomes, explained by theories outside of entrepreneurship. Finally, we empirically contribute to the entrepreneurship literature by answering calls for rigorous quantitative studies of how entrepreneurs might best communicate blended value to external resource providers. Combined, these contributions allow us to understand when and how entrepreneurs' linguistic positioning of social and/or economic categories align successfully with audience expectations.

2. Introduction

Creating and delivering both social and economic value has become a key area of academic interest in entrepreneurship (e.g., Grimes et al., 2013; Shepherd, 2015). Much of this research has revolved around the concept of organizational hybridity. Hybrid organizations are “the offspring of two different species,” (Doherty et al., 2014: 418), such as mixing characteristics of market and non-market elements (Battilana and Dorado, 2010; Brandsen and Karre, 2011; Powell, 1987). The explosion of research on hybrid organizations has explored how they build an organizational identity, manage their dual performance objectives, and remain

accountable to multiple stakeholders (Battilana and Dorado, 2010; Ebrahim et al., 2014; Pache and Santos, 2013). Even those who promote the value of hybridity note the many challenges of being multiple things to multiple people (Kraatz and Block, 2008; Battilana and Lee, 2014). Much of this can be traced to the fact that when ventures pursue both social and economic aims, they fit poorly into established categories. Hybrid ventures prototypically span categorical boundaries. As a result, audiences are less able to make sense of such organizations and are less likely to view them as appealing (Hsu et al., 2009). Category-spanning ventures may thus have greater difficulty garnering resources from external audiences, especially in the form of capital, than ventures that fit cleanly into established categories (Zahara and Wright, 2016). This aligns with research on hybrids that suggests that communicating plural values to external resource providers is fraught with challenges because the messages may be confusing (Battilana and Lee, 2014; Wry et al., 2014).

In this paper, we draw from the literature on categories to focus specifically on the linguistic features of hybrid organizations. The categories perspective focuses our attention on how hybrid organizations communicate their value and how external audiences respond to that positioning (Curchod, Patriotta and Neysen, 2014; Wry et al., 2014). We consider specifically hybrid organizations that seek to create both economic and social gains. The organizations we study receive their working capital through prosocial crowdfunding, where many individuals lend based on venture descriptions through an online platform. Thus, the present study distinguishes between hybridity in action—which is held constant through placement on a prosocial crowdfunding platform—and hybridity in linguistic positioning, which differs between ventures. The key factor driving capital allocation in this context is how lenders interpret the words used to describe the ventures in online narratives. Yet there is currently a lack of clarity

regarding the degree to which audiences understand and accept category spanning through linguistic positioning. Lenders will base their decisions on whether they have the “capacity to make coherent sense of the categorical combinations they observe” (Durand and Paoletta, 2013: 1112). We ask, are lenders more likely to fund ventures that communicate linguistic plurality in their narratives, or do they prefer to fund ventures that communicate a single linguistic category? Our hypotheses test how lenders respond to ventures’ plurality versus singularity in linguistic positioning (i.e., a social or economic category).

We explore this question by observing the funding patterns of microenterprises through an online prosocial crowdfunding platform, Kiva. Microenterprises are very small, independently owned and founded largely to generate income for the owner (Friar and Meyer, 2003). The financial success of microenterprises facilitates improvement in standard of living by enabling entrepreneurs to afford necessities for social development (e.g. healthcare, education and sustainable electricity). As such, these microenterprises represent a hybrid of economic and social value (Emerson, 2003). The tagline of Kiva is to create “loans that change lives” (Kiva, 2017) by linking individual lenders to disadvantaged microentrepreneurs. The selection of Kiva allows for a conservative test of resource allocation in category-spanning microenterprises. The platform is recognized for identifying hybrid microenterprises with a strong social mandate combined with financial sustainability goals as funding targets. Further, the platform itself draws a skewed sample of socially conscious lenders, mostly from developed countries, looking specifically for the opportunity to lend to microentrepreneurs from disadvantaged backgrounds, typically operating in adverse environments. These individual lenders have chosen Kiva instead of more formal investment or charitable outlets. A core premise is that these prosocial lenders expect a mix of social and economic activities from all the microenterprises, and what makes the

difference in their evaluations is the linguistic emphasis a microenterprise places on social and/or economic categories. Given the appropriateness of microenterprises that pursue social and economic activities in this context, our findings regarding linguistic differences are particularly notable. We demonstrate that prosocial crowdfunding lenders will more quickly fund microenterprises that evoke either a social or an economic category through their linguistic positioning rather than appealing to both categories simultaneously.

Our findings make three key contributions. First, we contribute to the literature on hybrid organizations and categorization. Much research on hybrids has explored the features of social ventures themselves, such as their hiring practices (Battilana and Dorado, 2010) and governance structures (Pache and Santos, 2013) based on organizational logics and identities. However, words also have direct implications for spanning hard-to-reconcile categories because prototypical features are actionable by different audiences when making prosocial evaluations based on the words entrepreneurs use. We therefore focus on how communication of categorical positioning influences resource allocation in a context where hybrids are an expected form. Surprisingly, we find that even in such a context, messaging that focuses on a single linguistic category is more effective than communication cues that focus on linguistic hybridity. Second, we contribute to the literature in entrepreneurship by exploring how categorical positioning of hybridity through prosocial crowdfunding might be related to crowdfunding outcomes, and explained by theories from disciplines outside of entrepreneurship such as psychology (McKenny et al., 2017). Finally, we empirically contribute to the entrepreneurship literature by answering Zahra and Wright's (2016) call for rigorous quantitative studies of how entrepreneurs might best communicate blended value to external resource providers through examining a large dataset of individual microenterprises. Our findings complement prior prosocial crowdfunding

research that has studied individuals versus groups, entrepreneurial orientation, virtuousness orientation, and rhetoric reflecting blame and tenacity (Allison et al., 2013; Galak et al., 2011; Moss et al., 2015). Combined, these contributions allow us to understand when and how entrepreneurs' linguistic positioning of social and/or economic categories within their narratives align successfully with audiences' categorization processes. Integrating crowdfunding audiences' perspectives on categorization helps make microentrepreneurs' offerings more acceptable in the sense that they respect audiences' causal models and match their expectations more squarely (Durand and Paoletta, 2013).

3. Predicting lending to microenterprises

How do lenders choose where to put their money? Although research specifically considering prosocial lenders is relatively nascent, a great deal of prior research has delved into the features of new ventures seeking financial investment (Macmillan et al., 1985; Higgins and Gulati, 2006; Mannor et al. 2017). This research suggests that investors pay attention to a wide variety of factors, including personality and experience (Higgins and Gulati, 2006), environmental conditions (Eisenhardt and Schoonhoven, 1990; Mason and Harrison, 1996) and product and market category (Lockett et al., 2002). This research also demonstrates that investors are not fully rational and that their decisions are often shaped by the way information is presented. To convince investors, entrepreneurs are increasingly involved in fast-paced pitching of their businesses at forums such as demo days, pitch mixers, competitions, and online crowdfunding sites. How entrepreneurs deliver the message matters and, as a result, we have witnessed a more direct interest in the role of language and communication in entrepreneurship and entrepreneurial finance (Clarke and Cornelissen, 2011).

While much of the earlier research on entrepreneurial finance has focused on formal investors as the targets of entrepreneurs' communication, more recent literature acknowledges that the investing "crowd" behaves differently. The amounts provided by individuals on crowdfunding platforms are typically small (roughly \$34 USD per individual funder per loan based on our sample), making the downside of funding much more limited. A key part of any crowdfunding proposal, such as those presented on the Kiva platform, is a description in which the entrepreneurs present the project to be funded. Previous research has demonstrated the importance of communication content (what the pitch contains) for funding purposes. For instance, pitch rhetoric associated with blame and present concern has been found to increase funding speed (Allison et al., 2013), as have narratives that highlight the venture as an opportunity to help others (Allison et al., 2015), and those that emphasize autonomy, competitive aggressiveness, and risk-taking (Moss et al., 2015). In addition to pitch content, the linguistic style used (Parhankangas and Renko, 2017) as well as favorable impression formation (Duarte et al., 2012) have been found to make a difference. Collectively, this previous body of research demonstrates that effective communication is central to crowdfunding success, as funding decisions are based on very limited amounts of digitally-conveyed information.

The presentation of information is particularly important for hybrid ventures. Given that these organizations have multiple aims, they must find a way to compellingly communicate their purpose, goals and aspirations in a quick and concise manner (Hall and Hofer, 1993). These ventures can choose between linguistically emphasizing one of their goals (either social or economic) or they may choose to emphasize their hybridity. While hybridity has been conceptualized in prior literature as the blending of logics, identities, practices, or actions, we explore combinations of categories of words in the present study. In doing so, we build on the

literature that has studied the role of language and rhetoric in entrepreneurial resource allocation through prosocial crowdfunding (e.g., Allison, et al. 2013,2015; Moss et al., 2015) and complement the hybrid organization studies that focus on logics and practices (e.g., Battilana et al., 2015; Pache and Santos, 2013).

In this section, we develop hypotheses that relate prosocial crowdfunding lender evaluations of the venture narrative to external funding. Our first two hypotheses predict the direct effect of communicating social and economic linguistic categories on the speed of investment. Our third hypothesis, based on the hybrid and categorization literatures, predicts that combining social and economic language will lengthen the time to fund microenterprises. In line with previous research, we use the time to fully fund a microloan as an indicator of the crowd's acceptance of the microentrepreneur's proposal (Ahlers et al., 2015). How quickly a loan gets funded is an indication of the ability of the entrepreneur's pitch (i.e. venture narrative in our context) to match the preferences of many and rather heterogeneous potential funders.

3.1 Social linguistic positioning.

There are a number of theoretical reasons to suggest that resource providers will be attracted to hybrid organizations that emphasize social value. The social investment literature suggests that a portion of lenders are interested in organizations that benefit society to different degrees (Nicholls, 2010). The corporate social responsibility literature likewise suggests that social performance is important for attracting stakeholders (Bhattacharya et al., 2008; Carroll, 1991). As a result, there are likely a portion of all resource providers who are attracted to, and seek out investments in, ventures that emphasize social value.

Individuals lending funds specifically through prosocial crowdfunding platforms like Kiva are particularly interested in what “good” their money does (Allison et al., 2013, 2015). These are individuals who are seeking out ways to make use of small amounts of their own money in order to improve the lives of others. As a result, they are likely to be influenced by language that emphasizes a venture’s instrumental role in improving entrepreneurs’ lives and those of their families and communities. For example, recent research has provided evidence that crowdfunders reward ventures which position themselves as being social, such as mentioning preservation of nature and community improvement (Calic and Mosakowski, 2016). An increasing emphasis on this social linguistic positioning can reduce uncertainty about the motives of the entrepreneur.

Hypothesis 1. Crowdfunding lenders will respond positively to microenterprises that place greater emphasis on social linguistic positioning.

3.2 Economic linguistic positioning

The entrepreneurship, development, and finance literatures find that, unsurprisingly, external resource providers are attracted to organizations emphasizing economic value. Small businesses must demonstrate financial sustainability that represents cash flow and the ability to pay back loans in order to be eligible to receive credit products (cf., Berger and Udell, 2006; Coleman and Carsky, 1999). Hybrid ventures are not exempt from these demonstrations of financial viability. In order to realize social value, ventures must first be sufficiently viable to survive and realize those gains. In fact, research has shown that microfinance organizations base much of their lending decisions on cash flow and profitability (Battilana and Dorado, 2010; Kent and Dacin, 2013). The primary purpose of microcredit is to provide financing to enable microenterprises

that do not have access to traditional financing to start or expand their business and improve their financial well-being (Chliova et al., 2015; Khavul 2010, Yunus 1998). Financial capital enables a venture to survive and grow. These microenterprises are also likely to seem more viable to their customers and lenders, as good economic productivity is a sign of good management and business practices (Battilana et al., 2015). Prosocial lenders likewise analyze the economic performance and profitability measures in making investment decisions in microcredit banks (Campbell and Rogers, 2012). Thus, the concept of microfinance suggests that facilitating business development enables economic growth, demonstrating the importance of emphasizing economic value.

Despite their social orientation, prosocial crowdfunders are extending a loan with the expectation of repayment and the desire for the microenterprise to develop and grow. Loan repayment, firm development and growth are expectations aligned with a traditional category of business organizations. As funding audiences view hybrid microenterprises as belonging to the general category of business ventures, they will determine the degree to which they conform to the relevant category expectations (Durand and Paoletta, 2013). If hybrid microenterprises fail to conform to economic viability expectations, potential funders may systematically overlook them, resulting in slower lending (Zuckerman et al., 2003). As a result, we suspect that prosocial crowdfunding lenders will be attracted to microenterprises that linguistically emphasize their economic positioning.

Hypothesis 2. Crowdfunding lenders will respond positively to microenterprises that place greater emphasis on economic linguistic positioning.

3.3 Social and economic linguistic positioning

In the above section, we articulated the rationales as to why prosocial crowdfunding lenders would respond positively to language that emphasizes social and economic linguistic positioning independent of each other. However, the consequences associated with emphasizing both the social and economic simultaneously are less clear. In this section, we explain how categorization theory rooted in category membership and spanning might affect the speed with which microenterprises are funded through prosocial crowdfunding.

Theory on category membership and spanning has its roots in the functioning of markets, which require common referent points for mutual understanding between participants. An organizational category is defined as the mutual understanding between external audiences and similar member organizations on the symbolic and material resources that constitute the basis for membership (Vergne and Wry, 2014). In this context, Vergne and Wry (2014:68) further define an audience as “a group of individuals or organizations that enters into a relationship of mutual dependence with an organizational category...based on the following characteristics: (1) an audience attends to category members’ offerings (e.g., products, jobs, shares, suggested policy reforms, information, values) as part of a comparison set, considering both the offerings of the category as a whole and, comparatively, of the category’s various members; (2) an audience directly or indirectly exerts control over the material and symbolic output of category members; and (3) an audience can reward or sanction category members.” Categories reduce market transaction costs by grouping together those organizations that are similar to a prototype organization, and excluding those that are not. Category membership consists of the grouping together of similar organizations—while likewise excluding dissimilar organizations—based on their similarity with prototypical features (Paolella and Durand, 2016). Category spanning refers

to “simultaneous membership in two or more categories located at the same level of classification hierarchy” (Vergne and Wry, 2014:71).

We propose that there is a fundamental difference between the prototypicality of *action* categories on which hybrid organizations researchers have traditionally focused, and the prototypicality of *linguistic* categories which we examine. In this study, microenterprises display membership in both social and economic action categories through being posted on the Kiva prosocial crowdfunding platform. Yet these microenterprises must also communicate social and economic linguistic categories to the external crowdfunding audience through their individualized online narratives, thus highlighting that words matter above and beyond actions. We therefore take a communicative/linguistic perspective on categorization that complements prior psychological and sociological arguments found in Vergne and Wry (2014). Doing so allows us to explore the effects of proactive linguistic positioning by microenterprises within a given category-audience combination.

The above sections hypothesize on the direct effects of using language from either social or economic categories. However, these microenterprises are neither solely social nor solely economic in their aims. In the rest of this section, we consider the consequences of how lenders might perceive the combining of social and economic language in microenterprise venture narratives.

There are reasons to believe that lenders will value pluralistic positioning that spans social and economic categories. In particular, the combination of social and economic aims has become increasingly accepted as taken-for-granted by audiences (DiMaggio and Powell, 1983; Vergne and Wry, 2014). Audiences who are potential resource providers can evaluate hybrid organizations positively if they fit squarely with their specific needs of achieving social impact

while creating financial return. As suggested by Durand and Paolella (2013), the audience creates an ad hoc category for a specific goal (here, being profitable and doing good), and in so doing redesigns previously separate categories. Thus, although hybrid microenterprises are category spanning, they do so in an expected way.

However, a significant volume of research notes the difficulties associated with category spanning. On a general level, this work suggests that organizations spanning multiple categories are both inherently more difficult to produce (Lamont et al., 2006) and less understandable to audiences (Hsu et al., 2009). These arguments suggest that there may be penalties when ventures emphasize both their social and economic aims. Prosocial lenders may be deterred from funding category-spanning ventures because of the inherent difficulties associated with building and maintaining such complex organizations. Scholars have noted that it is much harder for organizations to pursue multiple aims and retain high quality (Freeman and Hannan, 1983; Hannan and Freeman, 1989; Lamont et al., 2006; Fleming, 2001; Lo and Kennedy, 2015). This may be due to ambiguity about jurisdiction or about the challenge of enacting less formal rules and skill sets (Zuckerman et al., 2003). Research has shown that category spanning results in poorer quality products (Negro and Leung, 2013; Kovacs and Johnson, 2014) and higher coordination costs (Cummings and Kiesler, 2007).

Further, category-spanning organizations can be confusing for audiences, who tend to “overlook, devalue, or outright reject offerings that span categories because they are difficult to comprehend and don’t fit existing schema” (Leahey et al., 2017: 108). For example, actors who take on diverse roles have difficulty getting subsequent work (Zuckerman et al., 2003). Additionally, audiences are less likely to view films spanning multiple genres (Hsu, 2006) as audiences penalize offerings that are hard to classify (Leahey and Moody, 2014). In fact, in a

study of eBay offerings, sellers who market their goods under multiple categories make less money (Hsu et al. , 2009) while Leahey and colleagues (2017) demonstrated the difficulty of publishing interdisciplinary academic work, even when subsequent citation counts denote the quality of the work. This is because categorical ambiguity produces confusion and increases time of search, resulting in devaluation of the organization by an audience (Pontikes, 2012). For example, Lo and Kennedy (2015) demonstrate that category-spanning patents have significantly longer approval times than those that conform to a single category. This research suggests that, even when category spanners are successful in gaining audience support, this success often takes longer than organizations situated within a single category.

We draw on the above theoretical rationale and findings to propose that, even in a context where both social and economic action categories might be expected to be present—as in a prosocial crowdfunding context—lenders will be less inclined to allocate resources to microenterprises that span linguistic categories. Battilana and Lee (2014) suggest that hybrid organizations may face particular challenges appealing to funders because they do not fit into well-understood categories. And as Gao and colleagues (2017) suggest, words—and not only actions—can evoke a response from organizational outsiders. Users of prosocial crowdfunding platforms are presumably regular people (albeit socially active ones)—not savvy venture capitalists—who evaluate market labels online to find and assess microenterprises; as “market takers” they should view linguistic category-spanning labels of microenterprises as unclear and therefore less appealing (Pontikes, 2012). These market labels are grounded in words rather than in actions.

Given the preponderance of research noting the challenges of linguistic category spanning, we hypothesize that microenterprises which emphasize their hybridity will be

negatively evaluated by prosocial crowdfunding lenders. We expect that lenders will prefer microenterprises that emphasize either economic or social linguistic positioning. Although hybrid microenterprises may reflect their pluralistic action categories by linguistically positioning themselves as being both social and economic, lenders may not necessarily appreciate linguistic positioning of that plurality. Thus,

Hypothesis 3: Crowdfunding lenders will respond negatively to microenterprises that place balanced emphasis on social and economic linguistic positioning.

4. Methods

4.1. Sample

In this study we focus on the funding of microenterprises through prosocial crowdfunding. Prosocial crowdfunding provides an opportunity for ordinary individuals to make small loans to microenterprises worldwide, connected through online platforms (Galak et al., 2011). In general, crowdfunding not only expands the pool of potential lenders, but changes the profile of the average investor. Rather than experts funding new ventures, crowdfunding relies on lenders with little to no experience evaluating potential ventures (Bauer-Leeb and Lundqvist, 2012; Ridley-Duff, 2009). This exacerbates the already significant information asymmetries between ventures and funders (Agrawal et al., 2010; Ahlers et al., 2015), and amplifies the importance of signals in shaping crowdfunder evaluations (Mollick, 2014). There is some evidence that the characteristics of venture narratives influence prosocial crowdfunder decisions, and that these differences are likely to influence funding times of microenterprises. For example, microenterprises emphasizing individuals over groups (Galak et al., 2011), blame and present concern (Allison et al., 2013), and dimensions of an entrepreneurial orientation like

innovativeness and risk-taking (Allison et al., 2013; Moss et al., 2015) tend to be funded more quickly. Yet microenterprises emphasizing accomplishment, tenacity, and variety (Allison et al., 2013) and a virtuousness orientation (Moss et al., 2015) are less likely to be funded.

The sample for this study includes over 83,000 entrepreneurs in 60 countries who used the prosocial crowdfunding platform Kiva to access capital for their ventures in the year 2012. The data were acquired from the website <http://build.kiva.org/docs/data/loans>.

Kiva's crowdfunding and repayment process contains a number of steps, as outlined on their website. Once an entrepreneur's profile is created and posted to the Kiva website, individual crowdfunders lend incrementally until the entire loan is funded; loans in our sample were funded in just over eight days on average. Once the loan is funded and the date and time is recorded, Kiva wires the funds to a partnering microfinance organization (MFI) in the entrepreneur's locale, where they make the funds available. Entrepreneurs repay the principal and accrued interest to the MFI, which then retains the interest and wires the principal to Kiva. Once Kiva has received the principal, they record the date and time that the principal was paid back to the individual crowdfunders' accounts. Crowdfunders then have the option to withdraw the money, or to use their capital to fund another Kiva loan.

Table 1 presents descriptive statistics by country to provide a better idea of between-country differences.

Table 1
Descriptive statistics by country.

Country	% of Loans	Mean Loan Amount (\$USD)	Sex (% Male)	Group (% Group Loans)	Country	% of Loans	Mean Loan Amount (\$USD)	Sex (% Male)	Group (% Group Loans)
Philippines	18.9	1054.66	13	1	Pakistan	1.3	1770.53	1	74
Kenya	12.5	421.42	39	--	Senegal	1.3	936.28	30	37
Peru	8.8	367.87	26	7	Benin	1.2	806.33	9	74
Cambodia	5.1	722.13	12	28	Mongolia	1.2	1656.22	45	--
El Salvador	3.7	564.67	41	--	Sierra Leone	1.2	597.65	35	34
Uganda	3.3	640.99	43	7	Viet Nam	1.2	816.09	8	27
Ecuador	3.2	1185.65	24	8	Samoa	1.1	1238.87	--	--
Nicaragua	3.1	676.03	30	12	Georgia	1.0	1052.46	48	--
Tajikistan	2.6	1104.38	54	--	Lebanon	1.0	1532.06	69	2
Colombia	2.2	773.76	35	--	Togo	1.0	801.58	33	8
Rwanda	2.2	612.88	47	24	Mali	0.9	919.77	17	70
Jordan	1.9	946.25	17	--	Guatemala	0.8	1166.55	19	54
Bolivia	1.8	1409.12	30	25	Kyrgyzstan	0.8	1576.37	1	1
Paraguay	1.7	823.10	17	70	Liberia	0.8	320.86	4	--
Ghana	1.5	466.13	2	5	Palestine	0.8	2112.88	59	--
Mexico	1.5	1927.12	22	46	Armenia	0.6	2409.51	42	--
Honduras	1.4	711.44	30	12	Azerbaijan	0.6	1595.04	61	--
South Sudan	1.4	394.85	9	--	Costa Rica	0.5	1223.99	49	9

Country	% of Loans	Mean Loan Amount (\$USD)	Sex (% Male)	Group (% Group Loans)	Country	% of Loans	Mean Loan Amount (\$USD)	Sex (% Male)	Group (% Group Loans)
Indonesia	0.5	1072.30	28	47	Burundi	0.2	3119.84	9	100
Iraq	0.5	2606.98	68	17	Congo	0.2	2311.55	33	53
Mozambique	0.5	597.65	46	--	India	0.2	1025.81	28	38
Yemen	0.5	810.55	55	43	Kosovo	0.2	1402.67	50	--
Cameroon	0.4	408.02	23	--	United States	0.2	5539.57	61	--
Tanzania	0.4	3925.67	15	100	Haiti	0.1	3307.64	7	100
The Democratic Republic of the Congo	0.4	4065.84	9	97	Israel	0.1	3422.06	6	--
Ukraine	0.4	1543.51	37	--	Timor-Leste	0.1	900.00	--	3
Chile	0.3	3421.96	4	70	Nepal	0.1	306.32	--	--
Dominican Republic	0.3	2487.16	11	64	Zimbabwe	0.1	1957.14	16	97
Albania	0.2	1257.23	37	--	Nigeria	0.0	1081.42	100	--
Burkina Faso	0.2	854.97	11	91	Turkey	0.0	1332.35	--	29

4.2. Variables

4.2.1. Dependent variable

The dependent variable used to gauge the effectiveness of social and/or economic linguistic positioning on resource providers is *loan funding time*. Loan funding time is gauged as the length of time from the moment when a loan was displayed on the Kiva website to the time it was fully funded by prosocial crowdfunding lenders in days and minutes. The time required to fund a loan is a common measure in the research on prosocial crowdfunding (e.g., Allison, et al., 2013, 2015; Moss et al., 2015). The time-to-fund data were then log-transformed as they were positively skewed.

4.2.2. Independent variables – social and economic value orientation

We used computer-aided textual analysis (CATA) to analyze the venture narrative, as shown to potential lenders on the Kiva website (Short et al., 2010). Microenterprise narratives detail items such as location, family and business history, business purpose of the loan, effect of the loan on the entrepreneur's livelihood, and aspirations for the future. We applied CATA to gauge the extent to which the narratives emphasized social and/or economic linguistic themes. We used the language in the venture narratives to measure differences between what each venture says it does, socially and economically. Our conscious selection of Kiva as the sample also holds the majority of venture actions constant—that the ventures all seek to create social and economic value. Our dictionaries thus focus on the words used to describe the expected benefits of ventures' similar actions, rather than describing the underlying actions themselves. We followed the multi-step process suggested by Short et al., (2009, 2010), and Payne et al. (2011) in developing our dictionaries by first using a deductive, theory-based process in which we used

The Synonym Finder (Rodale, 1978) to create an initial list of words representing social and economic themes present in the literature.

This deductive process was followed by an inductive process in which venture narratives were systematically examined via CAT Scanner software (McKenny et al., 2012). CAT Scanner generated a list of over 48,000 unique words that appeared in our sample of loan descriptions at least three times. One author then scanned this list and kept only those words that were consistent with social or economic themes and were not already contained in the list of deductive words to avoid confounding effects. We sent this list of inductive words to three independent scholars familiar with the microfinance and/or crowdfunding literatures, who scanned the list and gave their feedback on the appropriateness or inappropriateness of the words on the inductive list. To assess the inter-rater reliability of the independent judges, we calculated the intra-class correlation coefficient (ICC) of their assessment (Bliese, 2000). ICC determines the extent to which any one rater is as reliable as another from the same set of raters, and has been used in several entrepreneurship studies in which a set of raters evaluate phenomena such as board processes (Forbes et al., 2010), entrepreneurial orientation across national cultures (Saeed et al., 2014), and crowdfunding campaigns (Chan and Parhankangas, 2017). As per cutoffs and nomenclature provided in the literature for inductive coding, the ICC score of 0.60 indicates that reliability is good (Cicchetti 1994; Hallgren, 2012). We then combined the deductively- and inductively-derived words into their respective dictionaries.

Our final list of words included a total of 179 words or word roots, with 71 representing economic themes and 108 representing social themes (Table 2). Finally, we used Linguistics Inquiry and Word Count (LIWC) software to analyze the loan descriptions (Pennebaker et al., 2015). LIWC output contains standardized word counts that control for narrative length.

Specifically, LIWC counts the total number of dictionary words, then divides by the total number of words in the whole passage, and scales the value to standardize per 100 words. Scaling is necessary since longer venture narratives could naturally contain more instances of social or economic language. We coded the LIWC output emphasizing social words as the variable *social value orientation (SVO)* and output emphasizing economic words as *economic value orientation (EVO)*.

The SVO and EVO independent variables were mean-centered (via *z*-scores) before other calculations as per Aiken and West (1991), with a mean of 0 and a standard deviation of 1. The scores were then shifted so that the minimum values of SVO and EVO were 0. As suggested by Combs (2010), transforming predictor variables into *z*-scores before being used in regression analyses allows for ease of interpretation when using large datasets, since the coefficients are on the same scale. *SVO/EVO Balance* was calculated by the equation $|EVO - SVO|$, then reverse-scored. Values closer to zero indicate less balance (singularity) while higher values indicate greater balance (plurality). In a *post hoc* analysis described later, we test for the emphasis a venture places on EVO. *EVO Emphasis* was thus calculated as the difference between EVO and SVO, in which higher values indicate a greater emphasis on EVO and lower values a greater emphasis on SVO.

Table 2
Dictionaries for economic and social value orientation.

Variable	Words
EVO (71 words or word roots)	affluen*, asset*, buy*, capital, cash, client*, contract*, cost*, cost-effective, customer*, earn*, economic*, economy, efficien*, employ*, expan*, fee, fees, financ*, fund*, grew, grow*, high-yield, hire*, hiring, income, interest, invest*, job*, lend*, livelihood, loan*, market*, monetary, money, money-saving, money-transfer, output, paid, pay*, performance, producti*, profit*, prosper*, purchas*, renovat*, rent, rental*, rented, renting, rents, repaid, repay*, return, revenue*, rich*, salar*, sale*, saving*, shareholders, sold, staff*, stipend*, transact*, turnover*, valuation, wage*, wealth, work*, worth, yield*
SVO (108 words or word roots)	<p><i>Social:</i> accountable, benefice*, beneficiar*, benefit*, benevolen*, brotherhood, care*, caring, charit*, civic, class, classes, communit*, compassion*, concern, concerned, cooperat*, cultivating, development, educat*, empower*, equal, equality, familial, families, family, freedom*, graduation, happiness, happy, harmony, harvesting, harvests, health*, help*, humanity, humankind, immuniz*, independen*, joy, justice, kind*, learn*, liberat*, liberty, life, mankind, partnership*, peace*, prosper*, reading, responsibilities, rights, social, societ*, SROI, success, support*, teach*, tender*, trustworth*, virtu*, welfare, wellbeing, well-being, wisdom</p> <p><i>Environmental:</i> air, biofertilizer*, biogas*, carbon, climate, conservation, conserve, conserved, conserves, conserving, contaminat*, eco-activis*, eco-friendly, ecolog*, emission*, emit*, energy, energy-efficien*, environment*, erod*, erosion, externalit*, fertilis*, fertiliz*, greenlife, landscaping, natural, pollut*, preserv*, purifi*, recharge*, re-charge*, recycl*, salvag*, solar*, sustainability, sustainable, toxic*, unpollut*, unspoil*, wast*, water*</p>

4.2.3. Control variables

We also included a variety of control variables in our analyses that could influence the results, similar to other studies using Kiva as a data source (e.g., Allison et al., 2013, 2015; Galak et al., 2011; Moss et al., 2015). We first controlled for the fifteen *industry sectors* listed on the Kiva website using dummy variables, since the industry in which a microenterprise operates would affect loan funding times. We also controlled for an *entrepreneurial orientation* (EO) and a *virtuousness orientation* (VO) because these constructs were examined in other papers that have studied Kiva loans, including Allison et al. (2013) and Moss et al. (2015). Customized dictionaries for EO and VO are publically available in Short et al. (2009) and Payne et al. (2011), respectively. EO is conceptually related to EVO, yet EO is also distinct from EVO in that entrepreneurial processes may be (and have been) applied to contexts in which economic value creation plays a much smaller role (e.g., Lumpkin et al., 2013; Morris et al., 2011). To ensure the distinctiveness between EO and EVO, we ensured that the EVO dictionary used in this paper contains no overlapping words with the validated EO dictionary used in Short et al. (2009), and non-significant correlation between them reported later likewise provide support.

Additionally, other characteristics of the venture narratives may influence loan funding time. We thus utilize LIWC's validated dictionaries to control for language referring to *family* (*child, daughter, father, etc.*) and *affective language*, such as positive emotions (*love, nice, etc.*) and negative emotions (*grief, hurt, etc.*), because such language may affect the response from online lenders due to the "warm glow effect" (Allison et al., 2013). We also control for the *total number of words* and the *average number of words per sentence* in the venture narratives, because longer descriptions and lengthier sentences allow microentrepreneurs to provide more

information on their venture to influence online lenders. Additionally, we control for the *day on which a loan appeared* on the Kiva website by creating a continuous variable that clusters all loans posted on a particular day. Doing so allows us to control for the possibility that, over time, loans may be funded more quickly as the popularity of Kiva increases. We also use this variable in a series of *post hoc* analyses, described later.

Further, we control for references to *tangible assets* and *intangible assets* present in the venture narratives. We created inductive dictionaries to measure these two variables by one author manually evaluating the inductive list of over 48,000 unique words that were mentioned at least three times in any venture description. This author created two very conservative lists representing tangible and intangible assets, purposely disregarding words with vague meanings or words with multiple meanings. A second author evaluated these two lists and elected to either remove words or supplement the lists with additional words from the unique inductive list that he/she believed should be included. This conservative process resulted in an initial ICC score of 0.98. Disagreements resulting from this process were then discussed and agreed upon by the two authors. Tangible assets were identified as those words which represented fixed assets—such as *automobile, barbershop, mini-grocery, and tools*—and current assets like money and inventory—such as *asparagus, cash, crafts, pigs, and vitamins*. Intangible assets were identified through words representing nonphysical assets and skills, such as *craftsman, hairdresser, knowledge, patents, software, and research*. This conservative process resulted in 1069 words representing tangible assets and 129 words representing intangible assets.

Since Kiva users may prefer to loan money to individuals over groups (or vice-versa), we created a dummy variable for a group loan (1) or individual loan (0). We also controlled for *loan amount* (in USD) because larger loans should take longer to fund, or may not be funded at all.

Since Kiva works with hundreds of MFI partners with different creditworthiness levels, we used Kiva's 5-star *risk rating* (with 0.5 star increments) to control for the effect of MFI partner on loan funding, in which a higher rating (5-star) represents a safer MFI partner. Kiva also provides the *sex* of the venture's leader, or in the case of a group loan, the sex of the responsible person leading the group. We thus created a dummy variable for sex, male (1) and female (0).

5. Analysis and results

We used multi-level modeling (MLM), also called random coefficient modeling or hierarchical linear modeling, to account for the nested nature of our data. MLM takes into consideration the non-independence of observations when there are nested data by concurrently estimating regression models at different levels of analysis (Peterson et al., 2012). We used MLM to control for the nesting of loans within MFIs, and MFIs within countries. Overall, our sample of loans covered 60 countries and 119 MFIs. We used random linear effects to control for random variation that occurs in these different levels. We estimated our models using the *xtmixed* command in Stata, with MLE and robust standard errors.

Table 3 presents descriptive statistics and correlations for our variables of interest. The mean value of the EVO is 6.12 words out of 100 words, while the mean of SVO is 1.70, indicating that most loan descriptions place greater emphasis on EVO than on SVO. Additionally, the mean time for a loan to be funded was 8.21 days. Seventy-one percent of loans were made to women microentrepreneurs, and only 12% were group loans. Both SVO and EVO are significantly correlated with faster funding times.

Table 4 provides verbatim excerpts from a number of loan descriptions in the food industry, highlighting the types of narratives manifesting high SVO, high EVO, and the hybrid

condition in which both SVO and EVO are emphasized. The table showcases how holding the activities of similar microenterprises constant—preparing food for sale—highlights language differences between those microenterprises. Additionally, the prosocial crowdfunding platform (Kiva) fixes the audience: individuals who are interested in lending funds to improve the social and economic condition of microentrepreneurs. The differences in loan narratives in Table 4 demonstrate that the generic separation between social and economic value means different things depending on action categories or linguistic categories. While our focus on language implies that we cannot contribute to the former, we contribute to the latter by showing that it is not merely the actions but also the words used to describe otherwise similar actions—food preparation in this case—that matter.

Additionally, Table 5 shows differences between SVO, EVO, SVO/EVO Balance, and EVO Emphasis for each of the industries in the study. Loans in the Personal Use and Entertainment categories displayed the highest and lowest SVO values, respectively. For EVO, Manufacturing was highest and Transportation showed the lowest level. Transportation displayed the highest measure of SVO/EVO Balance, with Education displaying the lowest balance. Finally, in EVO Emphasis, the Manufacturing and Clothing categories both manifest the highest relative emphasis on an economic value, while Personal Use ventures expressed the lowest relative emphasis. We also determined an effect size of 0.03 based on a power of 0.80, and with sample sizes and *p*-values consistent with our data and results. While small, effect size alone does not diminish the potential contribution of relationships marked by small effect sizes (Connelly et al., 2010), which we highlight in greater detail in the Discussion.

Table 3

Descriptive statistics and correlations (N = 83,176).

	Mean	SDev	1	2	3	4	5	6	7	8	9	10	11
1 Funding Time	8.21	2.02											
2 EVO	6.12	2.58	-0.03										
3 SVO	1.70	1.44	-0.03	0.07									
4 Econ Emphasis	0.10	1.37	0.00	0.65	-0.71								
5 Balance	1.07	0.85	-0.03	0.28	0.19	0.05							
6 Agriculture	0.19	0.39	-0.07	0.05	0.14	-0.07	0.03						
7 Arts	0.02	0.13	-0.10	-0.01	0.01	-0.01	-0.01	-0.07					
8 Clothing	0.07	0.25	0.06	0.00	-0.04	0.03	-0.01	-0.13	-0.04				
9 Construction	0.02	0.13	0.02	0.00	-0.01	0.01	0.00	-0.06	-0.02	-0.03			
10 Education	0.02	0.13	-0.12	0.00	0.07	-0.06	0.05	-0.07	-0.02	-0.04	-0.02		
11 Entertainment	0.00	0.05	-0.01	-0.01	-0.01	0.00	0.00	-0.02	-0.01	-0.01	-0.01	-0.01	
12 Food	0.27	0.44	-0.05	-0.01	-0.09	0.06	-0.03	-0.30	-0.08	-0.16	-0.08	-0.08	-0.03
13 Health	0.01	0.09	-0.08	-0.01	0.02	-0.02	0.01	-0.04	-0.01	-0.02	-0.01	-0.01	0.00
14 Housing	0.03	0.18	0.08	-0.07	0.04	-0.08	0.03	-0.09	-0.03	-0.05	-0.02	-0.03	-0.01
15 Manufacturing	0.01	0.12	-0.06	0.02	-0.01	0.01	-0.01	-0.06	-0.02	-0.03	-0.01	-0.02	-0.01
16 Personal Use	0.01	0.12	0.03	0.00	0.07	-0.05	0.03	-0.06	-0.02	-0.03	-0.01	-0.02	-0.01
17 Retail	0.23	0.42	0.11	0.01	-0.06	0.05	0.00	-0.27	-0.08	-0.15	-0.07	-0.07	-0.03
18 Services	0.08	0.27	0.02	0.01	-0.01	0.02	-0.01	-0.14	-0.04	-0.08	-0.04	-0.04	-0.02
19 Transportation	0.04	0.19	0.05	-0.03	-0.02	-0.01	-0.02	-0.09	-0.03	-0.05	-0.02	-0.03	-0.01
20 Wholesale	0.00	0.04	0.00	0.00	0.00	0.00	0.00	-0.02	-0.01	-0.01	-0.01	-0.01	0.00
21 Ent. Orientation	0.31	0.55	0.01	0.01	0.03	-0.01	-0.05	-0.02	0.01	0.02	0.02	0.06	0.01
22 Vir. Orientation	1.07	1.11	0.09	-0.01	0.13	-0.10	-0.01	0.02	0.00	0.03	0.02	0.01	0.01
23 Family	1.72	1.40	0.03	0.02	0.29	-0.21	0.06	0.09	0.00	-0.03	0.00	0.05	-0.01
24 Affect	2.99	1.91	0.02	0.01	0.29	-0.21	0.04	0.00	-0.01	-0.01	0.01	-0.02	0.01
25 Word Count	118.58	63.44	0.08	-0.14	0.11	-0.18	-0.18	0.01	0.01	0.00	0.01	-0.04	0.00
26 Words per Sent.	15.12	5.20	0.07	0.02	0.10	-0.06	-0.04	0.00	0.02	-0.02	0.02	0.02	0.00
27 Day Posted	218.97	76.52	-0.05	0.07	0.09	-0.02	0.01	-0.04	0.01	0.00	0.00	0.01	0.00
28 Tangible Assets	6.13	3.07	-0.05	0.17	-0.06	0.16	0.03	0.09	0.00	0.03	-0.06	-0.16	-0.01
29 Intangible Assets	0.77	0.91	-0.04	-0.08	0.10	-0.13	-0.04	-0.04	0.03	-0.03	0.03	0.07	-0.01
30 Group Loan	0.12	0.32	0.06	-0.08	-0.03	-0.04	-0.07	-0.06	0.06	0.06	-0.02	-0.03	-0.01
31 Loan Amount	6.36	0.84	0.47	-0.03	0.04	-0.05	-0.03	0.00	0.04	0.05	0.03	0.03	0.01
32 Partner Risk	3.30	0.78	0.11	0.05	0.16	-0.09	-0.01	0.11	0.00	-0.03	0.01	-0.01	0.00
33 Gender (F/M)	0.25	0.43	0.24	-0.01	0.03	-0.03	0.01	0.12	-0.03	-0.08	0.10	0.05	0.04

Note: All values greater than |0.01| are significant at $p < 0.001$

Table 3 Continued

	12	13	14	15	16	17	18	19	20	21	22	23	24
1 Funding Time													
2 EVO													
3 SVO													
4 Econ Emphasis													
5 Balance													
6 Agriculture													
7 Arts													
8 Clothing													
9 Construction													
10 Education													
11 Entertainment													
12 Food													
13 Health	-0.05												
14 Housing	-0.11	-0.02											
15 Manufacturing	-0.07	-0.01	-0.02										
16 Personal Use	-0.07	-0.01	-0.02	-0.01									
17 Retail	-0.33	-0.05	-0.10	-0.06	-0.06								
18 Services	-0.18	-0.03	-0.06	-0.03	-0.03	-0.16							
19 Transportation	-0.12	-0.02	-0.04	-0.02	-0.02	-0.11	-0.06						
20 Wholesale	-0.03	0.00	-0.01	0.00	-0.01	-0.02	-0.01	-0.01					
21 Ent. Orientation	-0.02	0.01	0.00	0.00	-0.01	-0.02	0.04	0.01	0.00				
22 Vir. Orientation	-0.05	0.01	0.00	0.01	-0.01	-0.05	0.07	0.00	0.01	0.12			
23 Family	-0.06	0.00	0.09	0.01	0.10	-0.08	-0.03	0.01	0.00	-0.13	-0.03		
24 Affect	-0.02	0.02	0.04	0.00	0.02	-0.04	0.05	0.00	0.00	0.10	0.29	0.02	
25 Word Count	-0.03	0.00	0.00	0.01	-0.01	0.01	0.04	-0.01	0.00	0.12	0.22	-0.03	0.29
26 Words per Sent.	-0.03	0.01	0.05	0.01	0.02	-0.01	0.04	-0.03	0.00	0.06	0.16	0.06	0.33
27 Day Posted	-0.01	0.01	0.01	0.00	0.01	0.03	0.01	0.00	0.01	-0.01	0.01	-0.03	0.03
28 Tangible Assets	0.10	-0.03	-0.09	0.01	-0.07	-0.03	-0.06	-0.03	0.00	-0.01	-0.09	0.07	0.04
29 Intangible Assets	-0.04	0.01	0.01	0.02	0.02	-0.04	0.09	0.04	0.00	0.02	0.03	-0.04	0.11
30 Group Loan	0.04	0.00	-0.04	-0.01	-0.03	0.02	0.01	-0.05	0.00	0.01	0.08	-0.09	-0.01
31 Loan Amount	-0.09	0.02	0.04	0.03	0.01	-0.03	0.07	-0.04	0.02	0.03	0.15	0.04	0.05
32 Partner Risk	-0.12	-0.01	0.00	0.02	0.09	-0.01	0.02	0.03	0.01	0.00	0.11	0.17	0.12
33 Gender (F/M)	-0.14	0.02	0.05	0.09	0.00	-0.11	0.05	0.15	0.01	0.06	0.10	-0.02	0.03

Note: All values greater than $|0.01|$ are significant at $p < 0.001$

Table 3. Continued

	25	26	27	28	29	30	31	32	33
1	Funding Time								
2	EVO								
3	SVO								
4	Econ Emphasis								
5	Balance								
6	Agriculture								
7	Arts								
8	Clothing								
9	Construction								
10	Education								
11	Entertainment								
12	Food								
13	Health								
14	Housing								
15	Manufacturing								
16	Personal Use								
17	Retail								
18	Services								
19	Transportation								
20	Wholesale								
21	Ent. Orientation								
22	Vir. Orientation								
23	Family								
24	Affect								
25	Word Count								
26	Words per Sent.	0.53							
27	Day Posted	0.01	0.00						
28	Tangible Assets	-0.06	0.11	-0.02					
29	Intangible Assets	0.17	0.10	0.03	-0.10				
30	Group Loan	0.19	0.06	0.02	-0.14	0.21			
31	Loan Amount	0.24	0.14	-0.03	-0.12	0.09	0.45		
32	Partner Risk	0.05	0.11	0.03	0.02	-0.03	-0.09	0.15	
33	Gender (F/M)	-0.03	0.00	-0.06	-0.03	-0.04	-0.15	0.07	0.03

Note: All values greater than $|0.01|$ are significant at $p < 0.001$

Table 4

Sample excerpts from venture narratives highlighting social, economic, and hybrid categories within the food industry.

Variable	Venture Narrative Excerpt
<p>High SVO Low EVO</p>	<p>“Marivic E. is requesting a large loan to support the needs of her fishing business and at the same to continue its operation. With Marivic’s passion of giving her family a brighter tomorrow, she will be eager to work hard and help her husband to meet the needs of her family. Marivic’s business has been very helpful in achieving her family dreams. Her greatest hope is that her family will be able to have a decent way of life, out of poverty. Her long-term goals are to help support her children’s education, invest and build a better house for the family, have a winning business providing a life that is full of happiness.” Philippines</p> <p>“Egalasse, age 54, is married and the mother of 8 children. She sells sea products and beans. Her goal is to improve the standard of living of her family, and to help support its healthcare expenses.” Nigeria</p>
<p>Low SVO High EVO</p>	<p>“Thank you for the first loan. Having borrowed the first loan of \$1,200 to buy meat for re-sale, now Nizami needs a second loan of 2,000 AZN to again buy more meat for re-sale.” Azerbaijan</p> <p>“Eva is married and has two children, ages 6 and 2. Eva earns money selling fish; she started her own sales business in 2005. Every day, she works from 6 am to 5 pm and can earn a monthly profit of about US\$70 from the sales. Eva now hopes to receive a loan to buy more fish for sale.” Tanzania</p>
<p>Hybrid Both SVO and EVO</p>	<p>“Theresa B. prepares food for sale. She is married and has three children. She is working very hard to support her husband with the family’s finances. She plans to increase production and sales to increase her income. She is asking for \$250.00 as additional capital to buy raw materials for food production.” Ghana</p> <p>“Ngoc is requesting a new loan to buy a larger quantity of garlic to increase her production. Ngoc's previous loan enabled her to expand her business and earn a higher income to support her family. She hopes that another loan will assist her in increasing the size of her business, attract new customers, and increase her sales. She also hopes that through the loan she can increase her income and improve her family's living conditions.” Vietnam</p> <p>“Nining A., 39, has four children. Her husband, Bambang, works as a coolie at a workshop, earning very little income. Nining produces and sells fried snack and flavoured ice door-to-door to earn more income for the family. She is asking for a loan of US\$100 to increase her business capital, so she can pay for her children's education.” Indonesia</p>

Table 5

Hybridity variable means by industry.

	Observations	SVO	EVO	SVO/EVO Balance	EVO Emphasis
Agriculture	15,998	2.11	6.36	8.03	-0.11
Arts	1,530	1.79	5.92	8.12	-0.05
Clothing	5,605	1.48	6.14	8.10	0.26
Construction	1,323	1.61	6.16	8.11	0.18
Education	1,467	2.45	6.05	7.79	-0.47
Entertainment	215	1.46	5.74	8.10	0.13
Food	22,450	1.49	6.07	8.12	0.22
Health	656	2.03	5.81	7.98	-0.26
Housing	2,803	2.04	5.16	7.96	-0.51
Manufacturing	1,125	1.64	6.45	8.12	0.26
Personal Use	1,134	2.53	6.09	7.84	-0.51
Retail	19,251	1.55	6.17	8.08	0.22
Services	6,662	1.63	6.22	8.11	0.18
Transportation	2,971	1.54	5.69	8.19	0.05
Wholesale	148	1.68	6.29	8.04	0.17

We ran the MLM analysis first with no variables in the model to determine the variance components from each level in the model on time to loan funding. Results revealed that the country level of analysis explained 26.6% of the variance, the MFI level 16.5%, and the individual level 41.1%. The residual accounted for the remaining 15.8% of the variance in the model. That the individual loans accounted for the most variance while the MFI servicing the loan accounted for the least is telling. The individual entrepreneur—and their venture as explained in the narrative—plays nearly three times as large a role in time to funding than does the MFI assisting the entrepreneur and posting the narrative online.

Hypotheses 1 and 2 test the effects of SVO and EVO independent of each other. Testing in this manner is important to disentangle both effects and to isolate the effect of just one variable at a time. Table 6 displays MLM regression results for Hypotheses 1 and 2, for the effects of SVO and EVO on loan funding, respectively. Model 1 lists the results for control variables; Model 2 shows the results for Hypothesis 1, and Model 3 lists the results for Hypothesis 2. Hypothesis 1 stated that prosocial crowdfunding lenders would more quickly support microenterprises that place a greater linguistic emphasis on SVO, and was supported ($\beta = -0.05, p < 0.001$). Hypothesis 2 likewise stated that lenders would more quickly support microenterprises that place a greater linguistic emphasis on EVO, but was not supported. Model 4 tests both the SVO and EVO variables in an alternate model specification as a robustness check, and the results for both hypotheses were unchanged. As an additional robustness check, we ran the same analysis without the largest industry in our sample (food, 27% of sample) in the event that the largest industry skewed the results. Findings were consistent with the full sample for both SVO ($\beta = -0.05, p < 0.001$) and EVO ($\beta = 0.01, n.s.$) in the same model.

Hypothesis 3 tests SVO and EVO in relation to each other, thus accounting for the effects of both variables together. Table 7 shows MLM regression results for Hypothesis 3 and the *post hoc* analysis. Hypothesis 3 predicted that microenterprises expressing a linguistic balance of SVO and EVO would be funded more slowly, and was supported ($\beta = 0.032, p < 0.05$). Microenterprises that linguistically positioned themselves with both an SVO and an EVO more evenly—representing increased plurality—took longer to fund than loans emphasizing greater singularity of one over the other.

5.1. *Post hoc* analyses

Having established that SVO/EVO Balance, or category spanning, negatively affected funding times, we next conducted a *post hoc* analysis to determine the preferred direction of the singularity: favoring SVO or EVO. Hypotheses 1 and 2 suggested that SVO and EVO, respectively, would be positively associated with faster loan funding. We thus include the EVO Emphasis variable in the regressions with SVO/EVO Balance to determine the most effective direction of the singularity. Results indicate that emphasizing SVO over EVO is the more effective expression in the venture description ($\beta = 0.032, p < 0.001$); loans with greater linguistic emphasis on EVO relative to SVO took longer to fund.

As a robustness test for H3 and the *post hoc* analysis, we tested the balance and emphasis variables in one model and the results were consistent (Table 7, Model 4). As before, we also ran an additional robustness test without the food industry and results were consistent for SVO/EVO Balance ($\beta = 0.031, p < 0.001$) and EVO Emphasis ($\beta = 0.031, p < 0.001$) in the same model.

As an additional *post hoc* test, we tested for cohort effects of the day a loan was posted to Kiva on EVO, SVO, EVO/SVO balance, and EVO emphasis. This test examines whether the

levels of these dependent variables change over time, as the days progress throughout the year. As with earlier analyses, we used a three-level nested design and used the same controls, since factors like industry and male/female sex of the entrepreneur might affect language emphasizing SVO and EVO. We found non-significant results for EVO and for EVO/SVO balance, yet there was a significant effect of posting day on SVO and on EVO emphasis. Over the course of the year, loans promoted an SVO to a greater degree ($\beta = 0.002, p < 0.05$) and reduced their emphasis on EVO relative to SVO ($\beta = -0.002, p < 0.001$). We discuss the implications of these results in the next section.

Table 6.

Loan funding as a function of SVO and EVO, with robust standard errors (N = 83,176).

Variable	Model 1		Model 2		Model 3		Model 4	
	β	SE	β	SE	β	SE	β	SE
Intercept	-2.38**	0.75	-2.49***	0.73	-2.37**	0.74	-2.47***	0.73
<i>Controls</i>								
Agriculture	-0.71***	0.10	-0.70***	0.10	-0.71***	0.10	-0.70***	0.10
Arts	-1.89***	0.08	-1.89***	0.08	-1.89***	0.08	-1.89***	0.08
Clothing	0.32***	0.06	0.31***	0.06	0.31***	0.06	0.31***	0.06
Construction	-0.52**	0.16	-0.52***	0.16	-0.52**	0.16	-0.52***	0.16
Education	-2.67***	0.11	-2.65***	0.10	-2.67***	0.11	-2.65***	0.10
Entertainment	-1.02***	0.12	-1.03***	0.11	-1.02***	0.12	-1.03***	0.11
Health	-2.47***	0.10	-2.46***	0.10	-2.47***	0.10	-2.46***	0.10
Housing	0.12	0.13	0.12	0.13	0.12	0.13	0.13	0.13
Manufacturing	-1.76***	0.12	-1.76***	0.12	-1.76***	0.12	-1.76***	0.12
Personal Use	0.33	0.27	0.35	0.25	0.33	0.27	0.35	0.25
Retail	0.41***	0.03	0.41***	0.03	0.41***	0.03	0.41***	0.03
Services	-0.35***	0.05	-0.35***	0.05	-0.35***	0.05	-0.35***	0.05
Transportation	0.08	0.09	0.08	0.09	0.08	0.09	0.08	0.09
Wholesale	-0.63***	0.17	-0.62***	0.17	-0.63***	0.17	-0.63***	0.17
Ent. Orientation	-0.01	0.01	-0.01	0.01	-0.01	0.01	-0.01	0.01
Vir. Orientation	-0.02 [†]	0.01	-0.01	0.01	-0.02 [†]	0.01	-0.01	0.01
Family	0.02*	0.01	0.04**	0.01	0.02*	0.01	0.04**	0.01
Affect	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.01
Word Count	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Words per Sent.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Day Posted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible Assets	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01
Intangible Assets	-0.03 [†]	0.02	-0.02	0.02	-0.03 [†]	0.02	-0.02	0.02
Group	-0.94***	0.24	-0.94***	0.24	-0.93***	0.24	-0.93***	0.24
Loan Amount	1.59***	0.15	1.59***	0.15	1.59***	0.15	1.59***	0.15
MFI Partner Risk	-0.02	0.08	-0.03	0.08	-0.03	0.08	-0.03	0.08
Female/Male	1.03***	0.09	1.03***	0.09	1.02***	0.09	1.03***	0.09
<i>Independent Variables</i>								
SVO			-0.05***	0.01			-0.05***	0.01
EVO					0.01	0.02	0.01	0.02
-2 log likelihood	-148858		-148819		-148858		-148818	
Δ -2 log likelihood			39***		0		40***	
df	27		28		28		29	

[†]p < 0.10; *p < 0.05; **p < 0.01; ***p < 0.001

Food industry referent industry dummy variable

Table 7

Loan funding as a function of EVO Emphasis and EVO/SVO Balance, with robust standard errors (N = 83,176).

Variable	Model 1		Model 2		Model 3		Model 4	
	β	SE	β	SE	β	SE	β	SE
Intercept	-2.38	0.75	-2.65***	0.76	-2.39**	0.75	-2.67***	0.75
<i>Controls</i>								
Agriculture	-0.71	0.10	-0.71***	0.10	-0.71***	0.10	-0.70***	0.10
Arts	-1.89	0.08	-1.89***	0.08	-1.89***	0.08	-1.89***	0.08
Clothing	0.32	0.06	0.32***	0.06	0.31***	0.06	0.31***	0.06
Construction	-0.52	0.16	-0.52*	0.16	-0.52**	0.16	-0.52**	0.16
Education	-2.67	0.11	-2.66***	0.11	-2.66***	0.10	-2.65***	0.10
Entertainment	-1.02	0.12	-1.02***	0.11	-1.02***	0.11	-1.02***	0.11
Health	-2.47	0.10	-2.47***	0.10	-2.47***	0.10	-2.46***	0.10
Housing	0.12	0.13	0.13	0.13	0.13	0.13	0.14	0.13
Manufacturing	-1.76	0.12	-1.76***	0.12	-1.76***	0.12	-1.76***	0.12
Personal Use	0.33	0.27	0.35	0.26	0.35	0.26	0.36	0.25
Retail	0.41	0.03	0.41***	0.03	0.41***	0.03	0.41***	0.03
Services	-0.35	0.05	-0.35***	0.05	-0.35***	0.05	-0.35***	0.05
Transportation	0.08	0.09	0.08	0.09	0.08	0.09	0.08	0.09
Wholesale	-0.63	0.17	-0.62***	0.17	-0.63***	0.17	-0.62***	0.17
Ent. Orientation	-0.01	0.01	-0.01	0.01	-0.01	0.01	-0.01	0.01
Vir. Orientation	-0.02	0.01	-0.02 [†]	0.01	-0.02 [†]	0.01	-0.02 [†]	0.01
Family	0.02	0.01	0.02*	0.01	0.03 [†]	0.01	0.03*	0.01
Affect	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.01
Word Count	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Words per Sent.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Day Posted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangible Assets	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01
Intangible Assets	-0.03	0.02	-0.03 [†]	0.02	-0.02 [†]	0.01	-0.02	0.01
Group	-0.94	0.24	-0.94***	0.24	-0.93***	0.24	-0.93***	0.24
Loan Amount	1.59	0.15	1.59***	0.15	1.59***	0.15	1.59***	0.15
MFI Partner Risk	-0.02	0.08	-0.03	0.08	-0.03	0.08	-0.03	0.08
Female/Male	1.03	0.09	1.03***	0.09	1.03***	0.09	1.03***	0.09
<i>Independent Variables</i>								
EVO/SVO Balance			0.032*	0.013			0.032**	0.011
EVO Emphasis					0.032***	0.008	0.032***	0.008
-2 log likelihood	-148858		-148845		-148832		-14818	
Δ -2 log likelihood			13***		26***		40***	
df	27		28		28		29	

[†]p < 0.10; * p < 0.05; ** p < 0.01; *** p < 0.001.

Food industry referent industry dummy variable

6. Discussion

In this manuscript we provide an external perspective on hybrid organizations that counterbalances prior research which has taken an internal perspective, at combinations of values, beliefs, logics, and orders of worth translated into practices (i.e., Battilana and Dorado, 2010). External audiences cannot always observe organizational practices, but they are acutely aware of the language ventures use to describe themselves. The external, linguistic perspective presented in this study tilts the literature toward the lender evaluations. In this discussion, we argue that words matter in entrepreneurship, not only for the stories and narratives made by entrepreneurs, but also as sets of prototypical linguistic features that allow any outsiders to act in reference to the venture. We hope that the linguistic categories used in this paper might enable future research in other fields such as strategy, finance, and accounting. Our findings have implications for research on categorization, hybrid organizations and entrepreneurship.

The core finding in this research is that linguistically positioning a hybrid organization's message in both social and economic categories is less appealing than a singular message emphasizing either a social or an economic category. In the context of crowdfunded microenterprises, potential funders are explicitly looking for ways to support organizations pursuing both economic and social value. However, when making funding decisions, they chose to more quickly support businesses that emphasized their social positioning rather than their economic positioning, despite the fact that venture descriptions made roughly three times as many references to economic themes. These findings support research in categorization theory that category-spanning organizations are more difficult for audiences to comprehend (Hsu et al., 2009; Leahey et al., 2017). Although our research reinforces existing findings regarding hybridity in organizational actions, it does so in a way that leaves little doubt about the difficulty

of plurality in linguistic positioning. We put the tenets of category spanning to the test in a most conservative environment, where every organization specifically spanned the same action categories and where lenders self-selected into a platform that specifically combines economic and social value. One could argue that linguistic category spanning, in this case, is a feature of the platform and should be preferred by audiences. However, the persistent and detrimental effects of plurality in linguistic positioning on funding time, even in a context where hybridity in the underlying actions should be perceived as legitimate, speak volumes about the strength of linguistic categories in shaping audience expectations. We humbly suggest that if linguistic category spanning is not rewarded in this context, we would be hard pressed to envision a space where it would be valued.

Our findings suggest that even established hybrid forms have difficulty effectively communicating their pluralistic values and underscore the deep challenges associated with effectively communicating hybridity to external audiences. Social and economic hybrid organizations have existed for years and can be found across all corners of the globe. The taken-for-granted value of this organizational form is reflected, not only in the founding of these organizations and the emergence of scholarship around them, but also embedded in larger economic and political institutions as a solution to deep societal problems such as poverty and livelihoods (cf. Yunus, 1998). Our findings demonstrate that even if organizations that are able to effectively combine their hybrid aims internally (Battilana and Dorado, 2010; Ebrahim et al., 2014; Pache and Santos, 2013), they may still face a challenging external environment.

This is notable given the large number of studies in institutional theory focused on process and value of the integration of hybrid identities and organizational forms (e.g., Almandoz, 2012; Ashforth and Reingen, 2014; Battilana et al., 2015; Besharov, 2014; Tracey et

al., 2011). Pache and Santos' (2013) seminal work noted the use of selected coupling of logics internally as an advantage for hybrid organizations, as they had a broader repertoire from which to draw and combine. It thus makes sense that hybrids would extend this coupling to linguistic features made available to external audiences. Prosocial crowdfunders who decide to lend in this space do so precisely because they seek to support organizations that aim to create both economic and social value. They are not interested in pure charity nor are they looking to maximize returns. Wry and colleagues (2014) highlight the role of audiences in this process, arguing that the category in which a venture is founded shapes stakeholder perceptions and subsequent performance. In our case, funders self-select into the prosocial crowdfunding platform and therefore accept the combination of economic and social value as legitimate. However, our findings reveal that deploying this broad repertoire in ventures' linguistic positioning may have costs. Specifically, constituents seem to prefer singular messaging rather than more complex, and more accurate, pluralistic self-description. This suggests that, although the integration of hybrid logics may be effective internally (Pache and Santos, 2013), linguistic category spanning may be a less effective strategy when seeking support from external resource providers. We acknowledge that linguistic category spanning, in an expected way, may someday become attractive to audiences (Durand and Paoella, 2013). However, in this most conservative setting, our data demonstrate the great challenges in reaching that level of taken-for-grantedness.

Regarding contributions to the entrepreneurship literature, scholars have begun to issue calls to examine crowdfunding (i.e., McKenny et al., 2017) and prosocial behavior (i.e., Shepherd, 2015) with greater theoretical and empirical rigor. Indeed, crowdfunding is a prime context in which to examine prosocial behavior because this context is characterized by "amateur" investors whose principal reason for providing capital may not be an economic return.

McKenny and colleagues (2017) further suggest that the entrepreneurship literature would benefit from studies in which the desire to participate in crowdfunding is explained by non-economic theories such as altruism and prosocial behavior. By drawing on theories of category membership and spanning that invoke social and economic linguistic prototypes, we provide an early step in this direction.

While our findings confirm the relevance of non-economic theories in the context of crowdfunding of microloans, we suspect that category membership and spanning theories will also be relevant to other business contexts due to the ubiquitous nature of categories in the marketplace, for two reasons. First, as Durand and Paoella (2013) suggest, audiences may tolerate category spanning and stretching more than previously thought, which has implications for spanning in equity versus rewards-based crowdfunding. Equity investors will likely value economic returns, while rewards-based crowdfunders may value products like organic foods that taste great while also being better for the environment. Second, entrepreneurs often use online narratives in various media (i.e., text, audio, video) to convey their message to the crowd. The content of these narratives likely interact with the media used to convey the message (McKenny et al., 2017). Paoella and Durand (2016) found that clients view category spanning more positively when offered services are more sophisticated. Their finding implies that sophisticated pitches, such as professionally-made video presentations, posted on crowdfunding platforms might improve the success of category-spanning content.

Quantitative measures of hybridity are needed for large-scale studies. Initial work in hybridity focused on the organizational form of social hybrids, qualitatively distinguishing between for-profit and nonprofit social enterprises and microfinance organizations (Battilana and Lee, 2014). As a start to increased quantitative study of hybrid organizations, Wry and

colleagues' (2014) study on hybridity in the carbon nanotechnology industry quantitatively captures *dichotomous* differences between two somewhat competing organizational emphases: “science” and “technology.” To further progress the field in the area of empirics, we provide a finer-grained, *continuous* measure of hybrid variation within an organizational form by introducing a hybridity continuum based on linguistic categories that exists within the organizational form of microenterprise. Using linguistic analysis from the psychology literature, we are able to quantitatively gauge the emphasis placed on social and economic linguistic categories espoused by microenterprises. This allows us to provide a rare rigorous quantitative study of hybridity across organizations spanning multiple industries, and we expect that the techniques presented here will allow for fine-grained, continuous measures of hybridity in other contexts.

Additionally, this large-scale quantitative study has practical implications. An SVO has an effect on funding time that is five times larger than an EVO ($\beta = -0.05$ for SVO compared to $\beta = 0.01$ for EVO). And comparing SVO alone with EVO/SVO Balance ($\beta = 0.03$) and EVO Emphasis ($\beta = 0.03$) reveals that SVO has a 67% larger effect. This suggests that in contexts where hybrid ventures are legitimate and expected, potential resource providers prefer an emphasis on the social linguistic category in venture communications. The post hoc finding that SVO significantly increases over time while EVO does not is likewise revealing. The SVO coefficient of 0.002 means that with each passing day, newly posted loan descriptions increased their emphasis on an SVO by 0.002 standard deviations. This results in increase of 0.73 standard deviations over the course of the year ($0.002 * 365$). There are also implications for the post hoc finding that an EVO emphasis relative to SVO changes over time. The coefficient is -0.002, implying that newly posted loan descriptions reduced their emphasis on EVO relative to SVO by

0.73 standard deviations over the course of the year. This steady trend towards a greater SVO may reflect the learning taking place in this form of microenterprise over time, that Kiva, MFI partners, and microenterprises are seeing the benefits of communicating categorical singularity over plurality.

6.1 Limitations

As with any study, ours has certain limitations stemming from our data source. One limitation is that with regard to economic and social value, our study can only draw conclusions as to how the microenterprises present themselves on crowdfunding websites; we cannot make inferences regarding actual economic or social actions or value created by these microenterprises. We therefore approached the data from a psychological linguistic perspective in which we examined what microenterprises say, rather than drawing conclusions about what they do. Additionally, we were able to detect statistical significance with a small effect size given our large sample size, yet our statistical power compares favorably to studies in related disciplines that frequently did not have adequate power (Connelly et al., 2010). To minimize this limitation, we followed Combs' (2010) suggestion to report standardized coefficients, as we do by using z-scores of the independent variables in our models, to allow for ease of comparison between SVO and EVO. And following Combs (2010) and Connelly et al., (2010), we discussed the meaning and practical implications of the coefficients related to our sample.

Another potential limitation concerns bias in our sample regarding the relationship between prosocial crowdfunding lenders, Kiva, MFIs and microenterprises. MFIs serve as the intermediary between Kiva lenders and microenterprises, and are responsible for collecting the venture narratives. Loans posted to the Kiva website may thus be exceptional in some way compared to non-Kiva microloans, but as yet Kiva is the only source of individual-level

microenterprise data, prohibiting such comparisons at this time. To address these issues Kiva has a strong due diligence and auditing process, and gives MFIs a risk rating in an attempt to prevent unscrupulous behavior. We control for this and use multi-level analysis techniques that control for the MFI, and find that individual ventures explained roughly three times as much variance as their MFIs.

As an empirical limitation, the only firm-level data we have on the microenterprises is what is contained in the venture description, as well as microenterprise industry, for which we are controlling. Doubtlessly there are firm-level factors that impact the speed with which loans are funded, in much the same way that organizational factors affect firm performance generally. These firm-level factors impacting funding are beyond the scope of our study. In the same vein, we do not have data on the prosocial motivation of the individual crowdfunding lenders to explore how the social and economic linguistic categories portrayed on the website tap into those motivations, nor do we have data on how certain specific lenders might be “captured” and lend to only certain types of microenterprises featured on Kiva.

6.2 Future Research

Our results and limitations lead to a number of avenues for future research into prosocial organizing in entrepreneurship. First, we explored linguistic features of online venture narratives and how external actors used their agency to respond to those narratives, finding that singularity improves resource allocation. Our finding supports previous work suggesting that category-spanning actions are linked to poorer performance (i.e., Hsu et al., 2009; Lo and Kennedy, 2015). Yet our findings also imply that words—like actions—influence lender decisions. This implication opens the door into future research that links resource provider interpretation of different linguistic features with their resource allocation, in much the same way that Gao, Yu,

and Cannella (2017) do in the context of competitive dynamics—postulating on how word responses differ from action responses. Future research on entrepreneurial crowdfunding might thus theorize on the differences between actions and words, between what entrepreneurs have accomplished versus what they explain they will accomplish.

Second, there are other ways in which ventures and their descriptions could be explored to expand our theoretical understanding. Future work could gauge the effect of language representing an orientation towards women in the microenterprise (Galak et al., 2011); does a stronger focus on women have any correlation with hybridity? As women are not a homogeneous group, exploring differences among women entrepreneurs in the context of hybrid organizing would be revealing, such as comparing women with husbands and children, with single women, or women who are seasoned entrepreneurs with women who are pursuing entrepreneurship for the first time. Additionally, more comparative inductive examinations of the loan descriptions would be revealing. For example, some of these microenterprises do business internationally by importing clothing, or exporting rugs and jewelry. Future research might consider how crowdfunded organizations competing internationally compare with more localized business when it comes to hybrid organizing along Battilana and Lee's (2014: 412) five dimensions which are "(1) core organizational activities, (2) workforce composition, (3) organizational design, (4) inter-organizational relationships, and (5) organizational culture".

Finally, an additional area of future research involves the development of hybrid organizing as an institutional field. Prosocial crowdfunding may have a rational myth of "social ends supported by economic means," meaning that the most successful microenterprises are those that are isomorphic to this in how they describe themselves online. Testing this

proposition could be accomplished with additional data linking individual lenders to individual microenterprises, to see the effect of hybrid category spanning over time on the same lenders.

The innovation of prosocial crowdfunding serves as a mechanism to facilitate the creation of sustainable entrepreneurship in areas of the world where the success of businesses is otherwise limited by entrepreneurs' limited access to key resources. We find that prosocial lenders respond more positively to singular messages regarding the purpose of the microenterprise, emphasizing social rather than economic linguistic categories. These results suggest that how hybrid organizations position themselves through their linguistic narratives has a significant impact on resource allocation by external prosocial audiences.

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