Reverse Legitimation: A Bottom-Up Pathway for Peripheral Actors in Closed Institutional Fields

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Abstract. In the closed institutional field of universities, a few peripheral actors have successfully entered the field and achieved legal operations, but most similar organizations are still excluded by institutional barriers. The existing theory has defects: the triple helix model presupposes symmetrical power, the institutional entrepreneurship theory has elite bias, and the value co-creation theory does not touch the platform construction. This paper focuses on how the vulnerable and marginalized actors start from zero legitimacy and obtain the official recognition of closed public institutions through bottom-up actions. Based on the field observation of the strategic transformation of a small popular piano institution in Chinese universities, this paper carries out theoretical construction, puts forward the concept of "Reverse Legitimation", and constructs a three-stage process model of "peripheral exploration, pain point diagnosis, and ecological construction". The study found that the existence of action in this path preceded the acquisition of legitimacy. This concept supplements the time dimension for the theory of organizational legitimacy, extends value co-creation to the level of platform construction, and provides a supplementary explanation for the pre-institutionalization stage of the triple helix model.

Keywords: Reverse Legitimation, Institutional entrepreneurship, Value co-creation, Triple helix model, Organizational Legitimacy.

1. Introduction

In China's highly administrative public university system, the attribute of "public institutions" constitutes a distinctive backdrop of a closed institutional field, wherein both funding allocation and collaborative access are contingent upon administrative authorization[1]. Even if off-campus commercial institutions have regulatory legitimacy, they are often excluded from the formal cooperation framework due to the lack of "institutional identity", and fall into a "legitimacy vacuum". However, a small number of small private institutions are successfully embedded in this closed field. Their path does not rely on top-down policy authorization, but shows the logic of "Reverse Legitimation": Actors start from zero legitimacy, actively diagnose the system pain, design solutions in a co-creative way, and gradually accumulate norms and cognitive legitimacy. The ultimate goal is that official endorsement becomes the result of action. This path is driven by pain points, guided by co-creation, and aimed at ecological embeddedness, and its legitimacy acquisition sequence is fundamentally reversed — action precedes legitimacy, while non-legitimacy precedes action.

The existing theories have obvious blind spots. The triple helix model presupposes symmetrical power and institutionalized cooperation conditions, which is difficult to cover marginal actors who actively build cooperation conditions from the zero legitimacy starting point[2]. Although institutional entrepreneurship theory reintroduces initiative into institutional analysis[3], its empirical research has "elite bias", focusing on large and medium-sized enterprises or social organizations, and paying insufficient attention to small private service providers with scarce resources[4], which does not theorize the time series inversion of "first action, then name"[5].

The value co-creation theory is represented by the Dart model[6]. Existing applications are based on the premise that "the cooperation platform already exists", and fail to respond to "how the institutional platform itself is constructed"[7,8]. The common blind spot of the above theories is that when the conditions for institutionalized cooperation are not yet available, the subject status is seriously asymmetric, and the initial legitimacy is close to zero; how the vulnerable actors obtain official recognition through bottom-up actions has not been systematically explained.

Based on the field observation of the strategic transformation of a small popular piano institution in Chinese universities, this paper carries out theoretical construction, puts forward the original concept of "Reverse Legitimation", and constructs a three-stage model of "peripheral exploration, pain point diagnosis, ecological construction". The study found that the core mechanism of this path lies in the timing reversal of legitimacy acquisition: Actors first solve the accumulation of norms and cognitive legitimacy through pain points, and regulatory legitimacy as a terminal output is late. This concept supplements the time dimension for the theory of organizational legitimacy, extends the value co-creation analysis to the level of platform construction, and provides a supplementary explanation for the pre-institutionalization stage of the triple helix model. The research aims to provide a systematic conceptual tool for the weak actors ignored by the existing theories, and provide a theoretical path for the small private enterprises with scarce resources to break through the institutional barriers and achieve bottom-up development.

2. Theoretical Construction of the 'Reverse Legitimation' Construct

2.1. Construct Definition, Theoretical Foundations, and Core Attributes

This paper argues that "Reverse Legitimation" is a theoretical construction based on the institutional entrepreneurship theory as the analytical framework, combined with the quadruple helix model and the value co-creation theory. The following are the theoretical contributions of the triple literature to this construct.

First, the institutional entrepreneurship theory provides the core theoretical framework for "Reverse Legitimation". Battilana et al. pointed out that institutional entrepreneurs usually change the existing institutional arrangements through strategic actions from a position lacking legitimacy[3,4]. This thesis accurately describes the underlying logic of the Yuefa case: the identity transformation from "commercial institutions outside the school" to "aesthetic education service operators inside the school" is a typical process of institutional entrepreneurship. Suchman's three-dimensional classification of legitimacy provides an analytical vocabulary for tracking the gradual change of legitimacy in this process[5,9].

Second, the quadruple helix model provides a structural macro positioning for "Reverse Legitimation". Carayannis and Campbell incorporated civil society into the innovation ecosystem as the fourth helix, emphasizing the importance of "bottom-up" innovation[10]. Subsequent studies further sorted out the structural function of the quadruple helix model in the coordination of multiple innovation subjects through concept review and case review[11]. The "Reverse Legitimation" mode can be seen as the specific practice form of the quadruple helix in the scene of aesthetic education in Colleges and Universities: small private institutions, as a part of civil society, take the initiative to participate in the innovation and construction of the ecosystem from the grass-roots level.

Third, the theory of value co-creation provides an operational mechanism analysis tool for "Reverse Legitimation". Prahalad and Ramaswamy's Dart model — dialogue, accessibility, risk-benefit assessment, transparency — explains how actors build trust relationships with multiple stakeholders and achieve value co-creation[6]. These four dimensions are the core operating mechanism in the process of "Reverse Legitimation".

Based on the above theoretical resources, the formal definition of "Reverse Legitimation" is as follows. "Reverse Legitimation" describes a legalization process, that is, marginal actors actively seek to enter the closed institutional field, identify the unmet institutional needs through pain point diagnosis, and design and implement the scheme in a co-creation way. Actors gradually accumulate normative legitimacy and cognitive legitimacy, and finally regulatory legitimacy appears as the result of action rather than the premise. The process follows the three-stage sequence of "peripheral exploration, pain point diagnosis, ecological construction", and the core mechanism includes the identification of institutional gaps, the construction of temporary support structures, the dialogue of border crossings and the operationalization of the Dart framework. The driving force of cooperation comes from the initiative of marginal actors, rather than top-down policy promotion. The strategic

thinking of actors has changed from "what we sell" to "what institutional problems you need to solve". The solution is jointly constructed by actors and multiple stakeholders, rather than unilaterally imposed; The final form of cooperation is a multi-entity network that can be embedded in each other's institutional fabric.

2.2. Three-Stage Process Model

The operation of "Reverse Legitimation" follows a three-stage sequential evolution process. This model is summarized and refined on the basis of the field findings of Lefa cases, but it is presented in a generalizable theoretical form here. As shown in Table 1, the process consists of three successive stages.

Table 1. The process consists of three successive stages

Stage	Core logic	Legitimacy status	Key activities
Stage 1: peripheral exploration	Product promotion logic	Zero legitimacy (lack of cognitive legitimacy)	The conventional market entry strategy is completely invalid due to institutional barriers
Stage 2: pain point diagnosis	Problem solving logic	Germination of cognitive legitimacy	Systematically identify the pain points of multiple institutions on the demand side and the supply side
Stage 3: ecological construction	Ecological embedding logic	Gradual acquisition of regulation, norm and cognitive legitimacy	Design multi-entity organization structure and create value closed loop

Stage 1: peripheral exploration. Actors try conventional market entry strategies — activity drainage, floor sweeping, social media fission, etc. The failure of these attempts is not due to operational deficiencies, but structural institutional isomorphic pressure[12]. In the highly institutionalized organization field of colleges and universities, any external organization that lacks cognitive legitimacy, regardless of its product quality, will face the automatic exclusion of field members.

Stage 2: pain point diagnosis. A key strategic turning point occurred: instead of asking "how to recruit more people", actors began to ask "what problems can we help you solve?". Through systematic stakeholder research, actors identify the institutional pain points on the supply side (such as the lack of aesthetic education resources, the formalization of Art Troupe activities, and the sleepy alumni resources) and the real needs on the demand side (such as students' lack of sense of purpose and desire for meaningful communities). This diagnosis provides a basis for redefining the value proposition of the brand itself.

Stage 3: ecological construction. Therefore, actors have designed a multi-entity organizational structure rather than a simple product portfolio to accurately respond to the pain points diagnosed. This ecosystem tries to realize multi-party value exchange through the closed loop of "university resources → student ability → institutional achievements → University recognition". Finally, the actor's identity can be fundamentally transformed from "commodity supplier outside the school" to "aesthetic education operator within the system".

2.3. Internal Mechanism: Operationalization of the Dart Framework

The Dart model is a value co-creation analysis framework proposed by Prahalad and Ramaswamy[6], which includes four dimensions: dialogue, accessibility, risk-return assessment and transparency. The model provides a fine operational tool for analyzing multi-agent interaction. In combination with the three-stage process of "Reverse Legitimation", the following describes the specific operational mechanism of the four dimensions one by one.

Before analyzing the four dimensions of the Dart model, it is necessary to introduce a middle-level theoretical mechanism to explain how actors realize "gradual embedding" at different stages. The concept of scaffolding proposed by Mair, Wolf, and Seelos provides a sophisticated theoretical tool

for understanding this process[13-15]. This study (AMJ 2016 best paper Nomination) focuses on how actors in small-scale society can change the pattern of inequality by building temporary support structures. This logic is operationalized into a three-stage model of "Reverse Legitimation": in peripheral exploration, actors try to use conventional market strategies (activity drainage, social media fission), but find that these methods can not support them to enter a highly institutionalized closed field; In the pain point diagnosis stage, actors identify the lack of access channels, cooperation framework and identity recognition in each other's field, and understand the structural causes of these gaps through in-depth fieldwork; In the process of ecological construction, actors actively try to design a multi-entity organizational structure and create an institutional platform that can carry multi-party value exchange. This "scaffolding" perspective promotes the three-stage model from phenomenon description to mechanism explanation, and reveals that "Reverse Legitimation" is not a random trial-and-error process, but a conscious institutional infrastructure construction.

In the dimension of dialogue, actors establish two-way communication channels with the supply side and the demand side to replace the one-way marketing mode in stage one.

It is worth asking: why can an off-campus commercial piano company establish an effective dialogue with the head of the University Art Troupe and the leaders of the college? Weerts' and Sandmann's research on "boundary spanners" in university community cooperation provides key clues to answer this question[16-18]. Boundary crossing refers to those intermediary individuals who can bridge different institutional logics and connect heterogeneous fields. They facilitate cross-institutional collaboration by understanding the language, needs and constraints of multiple stakeholders. In the case of Lefa, the founder actually played the role of "community boundary jumper": on the one hand, he deeply understood the institutional logic within colleges and universities, that is, the dilemma of compiling pressure, assessment indicators and formalism. On the other hand, it translates the professional ability of the external market into a "service plan" acceptable to colleges and universities. It is its ability to understand the administrative discourse and market service logic of colleges and universities at the same time that makes the dialogue change from one-way marketing to two-way value negotiation. The theory of border crossing reveals the prerequisite of the "dialogue" dimension: effective co-creation dialogue does not occur naturally, but depends on the intermediary role that can control multiple institutional logics.

In the dimension of accessibility, actors create paths for stakeholders to play professional roles. Students are not only consumers, but also planners, coordinators and project managers in the ecosystem.

In the dimension of risk-return assessment, actors bear the risk of brand incubation and training investment in the early stage; students bear the opportunity cost of time and energy, and the two sides share benefits through internship certificates, resume highlights and ability development. In the dimension of transparency, actors maintain the information transparency of business operation intention throughout the process of cooperation, and avoid weakening the foundation of trust due to the perception of "hidden motivation".

It should be further pointed out that the "Reverse Legitimation" and the triple helix model are not simple substitutes, but may constitute a continuous spectrum of institutional evolution. After the marginal actors obtain the initial legitimacy and complete the ecological embedding through the "Reverse Legitimation" path, with the accumulation of cooperation achievements, the symmetry of power relations, and the gradual institutionalization of the interaction mode, this mode may evolve upward into the institutionalized cooperation that can be explained by the triple helix framework. In other words, "Reverse Legitimation" can be regarded as the "pre-institutionalization" stage or "Incubation Mechanism" of the triple helix model, rather than its opposite.

3. Discussion: Theoretical Contributions and Boundary Conditions

3.1. Contribution to Institutional Entrepreneurship Theory: Adding Time Dimension to Legitimacy Typology

The construction of reverse legitimation enriches Suchman's legitimacy theory. While Suchman distinguished three types of legitimacy[9], he did not fully elaborate on the timing of their acquisition—particularly the possibility that legitimization processes may follow divergent paths under varying initial conditions. Reverse legitimation demonstrates that, for marginal actors, the acquisition sequence of regulatory, normative, and cognitive legitimacy may be reversed: rather than obtaining regulatory legitimacy first and subsequently establishing normative and cognitive legitimacy, these actors accumulate cognitive and normative legitimacy through practice, with regulatory legitimacy emerging belatedly as the outcome. This supplementation of the temporal dimension advances legitimacy theory from a static typology toward a dynamic process theory.

3.2. Contribution to Value Co-Creation Theory: From Platform-Based to Platform-Oriented Value Co-Creation

Reverse Legitimation extends the analysis boundary of the DART model[6]. Existing studies have applied the DART to the co-creation behavior on the institutionalized platform, such as student participation in Colleges and universities. Reverse Legitimation shows that DART can also explain the construction process of the institutional platform itself. The four dimensions of "dialogue, accessibility, risk-return assessment and transparency" are not only tools for analyzing existing cooperation, but also analytical frameworks for understanding how institutions are created. Co-creation has risen from a teaching or marketing tool to a "system generation mechanism". Furthermore, research on strategic pathways for new venture legitimacy within entrepreneurial ecosystems and the exploration of social enterprise legitimacy from an institutional approach provide additional empirical grounding for the present argument [19,20].

3.3. Contribution Relative to the Triple Helix Model: Complementarity Rather Than Substitution

Reverse Legitimation is not to replace the triple helix model, but to provide a supplementary explanation when the preset conditions of the triple helix model are not tenable. As shown in Table 2, there is a conceptual distinction between the two in five key dimensions.

Table 2. A conceptual distinction between the two in five key dimensions

Dimension	Triple helix model	Reverse Legitimation model
Initiator	Government, universities or large enterprises	Small marginal private organizations
Power relation	Assuming symmetry or approximate symmetry	Highly asymmetric (the weak side seeks acceptance from the strong side)
Legalization direction	Top down, institutionalized	From bottom to top, build actively
Core mechanism	Policy coordination and commercialization of scientific research achievements	Pain point diagnosis, value co-creation, ecological embedding
Typical applicable scenarios	National/regional innovation system, technology intensive industry	Service industry, culture/aesthetic education and other "soft" fields

3.4. Boundary Conditions: The Applicable Premise of Reverse Legitimation

This paper proposes five boundary conditions for the "Reverse Legitimation" pathway. This proposition is further supported by studies on how entrepreneurial ecosystems build legitimacy through signaling and the role of boundary spanning in education[18,21].

First, the recipient must be a highly institutionalized closed organizational field with formal barriers to entry, such as public universities and government agencies. If the market is free to enter and the threshold of legitimacy is low, there is no need for "official cooperation". Second, actors must

really have the professional ability to solve problems, even if they lack the legitimacy of the system for the time being. "Pain point diagnosis" without real ability is just empty marketing rhetoric. Third, there must be "institutional pain points" that can be diagnosed in the field of the receiver, that is, unmet needs, tasks lacking resources, or the dilemma of formalism, providing an opportunity for the embedding of actors. Fourth, actors must have enough strategic patience. The peripheral exploration may be long, and the diagnosis of pain points requires deep fields. Ecological construction depends on the accumulation of trust. The whole process is a long-term investment based on months or even years. Fifth, value compatibility conditions. There must be a minimum value intersection between the actor's business objectives and the recipient's public value mission. If there is a fundamental conflict between the profit logic of marginal actors and the educational public welfare mission of colleges and universities, such as excessive commercialization damaging the teaching order, then co-creation orientation will be regarded as "opportunistic packaging", and the foundation of trust is difficult to establish.

4. Conclusion

This paper introduces the original idea of "Reverse Legitimation" to theorize a legalization path ignored by the existing literature — how the weak and marginal private actors with zero legitimacy can obtain official recognition through pain point diagnosis, value co-creation, and ecological embedding in the closed institutional field. This paper defined the concept, elaborated its core features, three-stage process model and Dart operation mechanism, and defined its applicable boundary.

This paper proposes the following testable theoretical propositions to provide a systematic test direction for subsequent empirical research:

Proposition 1 (stage sequence proposition): In other highly institutionalized closed fields (such as public hospitals and government community service centers), the "Reverse Legitimation" path of marginal actors still follows the three-stage sequence of "peripheral exploration, pain point diagnosis, ecological construction", but the duration of each stage and key turning events vary according to the degree of institutionalization and power asymmetry in the field.

Proposition 2 (time reversal proposition): Under the starting point of zero regulatory legitimacy, marginal actors first solve the problem of accumulating normative legitimacy and cognitive legitimacy through pain points, and regulatory legitimacy (official endorsement) has come late as a terminal output; If actors try to skip the first two kinds of legitimacy and directly obtain regulatory legitimacy (such as "greeting" through administrative relations), the cooperation will be difficult to sustain due to the lack of substantive value exchange.

Proposition 3 (failure path proposition): The "Reverse Legitimation" path will be interrupted when the actors' diagnosis of the institutional pain points has systematic deviation (misdiagnosis), or when the actors lack enough strategic patience and quit at stage 1. The study of negative cases can further refine the boundary conditions of the constitutive model.

Proposition 4 (evolution proposition): With the deepening of ecological embeddedness and the stability of a value-closed loop, the "Reverse Legitimation" mode may gradually evolve upward into institutionalized symmetrical cooperation that can be explained by the triple helix model. At this time, the power relationship tends to be balanced, and the interaction mode will change from "bottom-up" to "top-down interaction".

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