

Episodic Organizations: Pop-up and Underground Restaurants and the Temporality of Organizational Life

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Abstract

In this dissertation, I explore a common form of transitory work among early entrepreneurs, which I call an “episodic organization,” defined as a temporary and project-based form of organizing that occurs on an intermittent basis, characterized by a ramp up and ramp down of activities. Using a qualitative study of pop-up and underground restaurants – temporary eateries that offer social dining experiences in a variety of locations for one evening – I advance a theory of episodic organizing, arguing that episodic work systems are characterized by *routinization*, are *embedded* in a broader industry and institutional context, have *porous boundaries* between organizational members and stakeholders, and are commonly nascent *entrepreneurial* endeavors.

Category: Sociology, Entrepreneurship, Temporary Organizations, Qualitative Methods

Keywords: Part-time entrepreneurship, DIY entrepreneurship, cultural industries, restaurants, entrepreneurial motivations, ethnographic methods

Executive Summary

Scholars often categorize the creation of a new business as an all or nothing activity¹, however, new research indicates that a growing number of individuals are partaking in “hybrid entrepreneurship”: the act of dually engaging in self-employment and wage work to “test the entrepreneurial waters” (Burke, FitzRoy and Nolan 2008, Folta, Delmar and Wennberg 2010, Raffiee and Feng 2013). This form of freelance entrepreneurship may be much more prevalent than the current entrepreneurial literature acknowledges; indeed the Global Entrepreneurship Monitor² found that some 80% of nascent entrepreneurs engage in business creation while also holding regular wage work (Petrova 2012). With the recent financial crisis, contemporary entrepreneurs are increasingly turning to the part-time practice of start-up organizing, and the subject seems ripe for investigation by entrepreneurial scholars. Yet, we know little about what *types* of organizations these part-time entrepreneurs are creating, how they understand and frame their choices, and what limitations and opportunities come with a freelance form of entrepreneurship.

To answer these questions, this dissertation investigates an alternative start-up model within the culinary industry that has become popular since 2008: pop-up and underground restaurants. A professional or amateur chef sets up a temporary restaurant for one evening in a variety of potential locations, including, but not limited to, a farm, art gallery, downtown loft, personal home (often the chef’s), or an empty café that may be closed for the evening. Pop-up and underground restaurants are small establishments; a group of volunteers or paid part-time

¹ This is because most research uses the term “self-employment” as a proxy for entrepreneurship, which implies a full-time endeavor.

² The Global Entrepreneurship Monitor is a global research study that measures the annual level of entrepreneurial activities across 42 nations.

employees serve anywhere between eight and fifty diners. The dining experience appeals to ‘foodies’ who learn of events through word-of-mouth or social media.

In addition to offering an authentic and intimate consumption experience, pop-up and underground restaurants’ recent popularity stems from their unique entrepreneurial nature. As resistance to the customary years-long apprenticeship model within the restaurant industry, ambitious freelance chefs are increasingly using pop-up and underground eateries as alternative routes to restaurant ownership, running a catering business, or becoming a personal chef. Because of their lowered barriers of entry, temporary eateries enable anyone to become a chef and restaurant owner for an evening, and consequently have become venues for self-taught amateur cooks and rising young culinary professionals to pursue their passion for food and hospitality on a part-time basis.

To study the world of pop-up and underground restaurants, I conducted in-depth interviews with 106 individuals³: current and former chefs (61), co-founders⁴ (4), organizational members (i.e., employees and volunteers) (15), diners (22), and hosts (4). Please see Table 1 for a breakdown of interviews by entrepreneurial stage. The majority of interviews were conducted in person across cities that had high concentrations of pop-up and underground establishments: Chicago, London, San Francisco, and Los Angeles. I also observed over 40 dinners across these locations. Observations and interviews were supplemented by secondary documents, such as general journalistic pieces and screenshots of organizational websites.

Across three chapters, my dissertation conceptualizes pop-up and underground restaurants as an “episodic organization,” defined as a temporary and project-based form of

³ A handful of interviews were conducted with two informants at a time, often co-chefs or co-founders, making for a total of 98 interviews.

⁴ Co-founders were individuals who provided financial and business support to the temporary restaurant but did not actively cook or take on a chef role.

organizing that occurs on an intermittent basis, characterized by a ramp up and ramp down of activities. In Chapter 1, I discuss how entrepreneurs negotiate their part-time and episodic nature through the creation of flexible and rigid organizational routines. I find that the practice of running a pop-up and underground eatery is highly routinized because it is embedded within industry standards of kitchen work. Thus, entrepreneurs without previous culinary experience are faced with a steep learning curve in adapting to the unique organizational and environmental surprises that come with running a temporary organization. Chapter 2 turns attention to the dining experience and how founders create authenticity claims that promote repeat patronage, a valuable resource if an entrepreneur chooses to transition to a brick and mortar eatery. Lastly, Chapter 3 discusses the benefits to episodic organizing as well as potential limitations, how being part-time influences entrepreneurial motivations, and what happens when an entrepreneur transitions into full-time self-employment. In my interviews and participant observation I discovered that *part-time culinary entrepreneurs do not self-identify as entrepreneurial*, which can have consequences for their business growth and future move to self-employment. Below, I review my central findings from Chapter 3.

Pop-up to Professional: Being a Part-time Entrepreneur

Organizing a restaurant in an episodic manner can provide both structural and cultural benefits to emerging chefs. On a structural level, establishing an episodic restaurant lowers barriers - financial and educational - of entry into the culinary industry. Short-term leases lower overall costs of operations, allowing founders to evade the large financial commitments that come with owning or renting a permanent restaurant space. For even lower start-up costs, entrepreneurs may select to run dinners out of their personal homes, only requiring them to purchase the appropriate dinnerware and foodstuffs. Perhaps more importantly, pop-up and

underground restaurants offer opportunities for chefs to connect with outsider funding. Investors, who may be regular patrons, provide financial backing for a young chef to eventually transition to a brick and mortar restaurant.

Furthermore, for those lacking the necessary social capital within the restaurant world, organizing episodically helps aspiring chefs to gradually develop the necessary social networks, which is especially valuable for professionals seeking to transition to another occupation. Indeed, of those informants that went on to successfully open restaurants *after* my interview (n=11), approximately half had *no* professional culinary training prior to starting their episodic eatery, indicating that pop-up and underground establishments serve as an accelerated incubator for aspiring chefs still in need of refining their culinary skills. This finding counters research in the entrepreneurship literature on pre-founding experience, which has suggested positive effects on the overall success of new businesses for founders with same-industry experience (Klepper 2001, Klepper 2002, Phillips 2002).

There are also cultural benefits to episodic organizing; pop-up and underground restaurants enhance the authenticity of chefs as a member of the food community, providing them with a window to market their culinary brand. Indeed, in the retail sector, pop-ups have become recognized as a new strategy to market products through a unique and innovative experience that enables direct brand engagement (Kim et al. 2010, Niehm et al. 2007). In addition to brand building, temporary eateries provide a safe space for want-to-be restauranteurs to test out menu items and build up their culinary repertoire. Besides teaching individuals how to become chefs on a technical basis, episodic organizations help amateurs develop the type of speech and mannerisms expected of professional cooks, providing a safe space for amateur cooks to practice performing the role of chef.

Yet, despite all these attractive benefits to starting a pop-up or underground restaurant there are also a number of challenges that come with this form of part-time entrepreneurship. In addition to the difficulties any new organization faces, founders of episodic restaurants must confront a number of trials that stem from their temporal and spatial irregularity, such as small profit margins, uncertain resources, and turbulent environments. Although pop-up and underground restaurants are embedded within the culinary industry, they lack a number of elements that make them fully brick and mortar eateries, namely the stability and consistency of operations found in regular eateries. In a myriad of ways, pop-up and underground restaurants miss many of the formal institutionalized guidelines of business operations. This incomplete nature is exacerbated by many pop-up and underground restaurants' illegal nature.⁵

In my interviews with founders, I found that these constraints of episodic organizing create a tension among part-time entrepreneurs between conceptualizing their activities as decidedly entrepreneurial or simply a hobby pursuit. In order to negotiate these pressures, early founders raise a 'labor of love' narrative, characterized by chefs rejecting the identity of business owners, instead emphasizing non-monetary motives and a passion for hospitality. For instance, when I asked Sarah, a young non-profit manager with no professional culinary experience who started her underground restaurant three months prior in her personal London home, if she considered her venture a business, she replied:

It is not a hobby is it? It is something in-between because of the amount of time I give it and how much I care about it. So no, I can't describe it as a business, but it is definitely not a hobby. But it is something that is really important to me. [Pause] Especially because *at the moment we are not in it for the money* (emphasis added).

⁵ Some of the potential legal risks include: 1) evading public health regulations by serving food outside of a certified commercial kitchen, 2) lack of a liquor license, and 3) exchanging food for money requires a formal business license. For more on the legality of pop-up and underground restaurants see Schindler 2015.

Such words are psychologically motivating, encouraging founders to endure periods of low financial returns. Language can also serve as a strategy of action to outsiders; this process of “cultural entrepreneurship” (Lounsbury and Glynn 2001, Wry, Lounsbury and Glynn 2011) helps founders craft a distinctive identity for their new ventures, which when conferred to potential investors and consumers can help nascent entrepreneurs acquire resources, financial and otherwise.

A ‘labor of love’ narrative also appeals to an “entrepreneurial group,” the set of external and internal stakeholders that actively support the creation of a new organization (Ruef 2010). For instance, organizational members serve as a valuable resource in devoting (unpaid or minimally paid) labor to a burgeoning business venture. Because of their low financial returns, many pop-up and underground restaurants rely on volunteers for labor. In interviews, volunteers praised the chef’s ‘labor of love’ motivations: “that kind of blows me away a little bit, is that here is an event where no one is really making any money. It’s really being done for the love of it.” A rhetoric of hospitality and passion for the culinary craft is especially powerful in the context of the culinary industry because it aligns with expectations audiences have for cultural producers as non-economically motivated (Bourdieu 1996).

Yet, a ‘labor of love’ is not always enduring. A subset of chefs I interviewed expressed a tipping point where their motivations shifted and they transitioned from part-time amateur to developing a full-time restaurant career. Typically these junctures occurred because of exogenous forces, namely, diners encouraging chefs to open their own restaurant or openly offering the funds to do so. When informants turned their part-time restaurant into a committed full-time *career*, they recognized and celebrated their entrepreneurial endeavors in our interviews, evoking what I call a vocabulary of “professionals.”

As producers of cultural products, chefs showed a love of hospitality and passion for the culinary craft that did not fully disappear during this transition, however it became diminished and informants instead emphasized a business orientation, focusing on the financial management of their venture. Not surprisingly, the economic and labor of love logics conflict, as evidenced in my interview with Liz, a San Francisco-based chef who was running a Vietnamese pop-up eatery on a full-time basis with hopes of opening a restaurant soon:

I think it's going from more art to business. So we're able to still create events that we think are cool. But now we're starting to crunch numbers a little bit more. And a little bit more is not that much, but we're trying to just be more smart about it and trying to make sure that we do make money, because a lot of times we don't, because we just want to throw out a cultural event and make it happen. I think the next change or shift is going to be more focused on numbers. And that's not how we operate and that's not why we do it, but it's important to know you're stable. I think it's good practice for running a restaurant later on our own, it's important to understand your numbers...

This quote illuminates a unique tension common to cultural organizations and especially acute for nascent entrepreneurs in these fields, between serving a 'good' meal and addressing financial interests (Caves 2000, Fine 2009, Tjemkes 2011).

Implications of Findings for the Study of Entrepreneurship

In the field of sociology, entrepreneurship has primarily been conceptualized as the "creation of new organizations" (Gartner 1988, Thornton 1999, Thornton, Ribeiro-Soriano and Urbano 2011). Despite this reference to organizational emergence, scholarship has narrowly focused on the individual traits of entrepreneurs and generally disregarded the *types* of organizations formed. Consequently, it has become an a priori assumption that entrepreneurship takes place among traditional business start-ups, as the field has been dominated by studies of formal ventures, such as those with venture capitalist backing. Moreover, by examining already well-established firms scholars cloud the many stages entrepreneurs experience beforehand, especially the founding process.

Departing from this status quo, this dissertation focuses on the experiences of nascent entrepreneurs. My interviews with pop-up and underground restaurant founders reveal that early periods of entrepreneurship can be chaotic and disorderly, especially when done on a freelance basis. Indeed, as I have discussed above, many nascent pop-up and underground entrepreneurs do not even identify as business owners. The gradual transition from amateur to professional among informants confirms the need to rethink how scholarship defines the entrepreneur. Instead of thinking of entrepreneurship as a onetime act of creating an organization, we must conceptualize entrepreneurship as a succession of activities across time culminating in the process of business creation (Ruef 2010).

My findings also dovetail with scholarship on entrepreneurial persistence. Namely, a ‘labor of love’ motivation contributes to research that individuals who start a business for intrinsic reasons survive longer than their materially motivated counterparts (Ruef 2010). Owners who are seeking identity fulfillment are “more likely to accept a lower level of economic performance to remain in business” than entrepreneurs who are profit driven (Gimeno et al. 1997:771). Thus, evoking a ‘labor of love’ narrative neutralizes the precarious start-up activities of these part-time chefs, helping founders lower their expectations concerning potential profits and growth. It also directs attention away from an entrepreneur’s financial performance, which can be quite meager.

These findings also have implications for how we think about the transition from part-time entrepreneur to self-employed. It may be that part-time entrepreneurship has lower financial risks, but it can also lead to stagnation. Individuals who do not self-identify as entrepreneurs but adopt instead a ‘labor of love’ narrative may be more likely to endure longer periods of low financial returns, and thus, could take longer to transition to full employment, especially if an

entrepreneurial epiphany occurs much later after founding. Indeed, the time spent running a pop-up or underground eatery before a restaurant was radically variable, anywhere from four months to seven and a half years. Such diversity in tenure is a reminder that entrepreneurial development can vary significantly by time, order of phases, and type of organization (Gartner et al. 2004). Consequently, in order to profit from their efforts as part-time entrepreneurs, founders may need to self-identify first and foremost as business owners rather than merely hobbyists.

Finally, this dissertation seeks to contribute to understandings of entrepreneurship in cultural industries: firms that design, produce, and distribute products that appeal to aesthetic tastes rather than utilitarian needs, like film, literature, fashion, music, and the case study here, food (Thornton and Jones 2005). Creative industries require unique organizational designs to mediate the highly uncertain environments they inhabit (Hirsch 1972). Episodic organizations are a particularly fruitful form of organizing for nascent creative entrepreneurs because they enable producers to minimize the risks that come with the unknown of how a good will be received by consumers, a “nobody knows property” that characterizes cultural producers (Caves 2000:3). Additionally, episodic organizations allow new entrepreneurs to slowly build up industry networks, which have been found to be vital to entrepreneurial success in creative industries because many artists exploit resources in their personal networks to develop innovations (Noyes, Salvatore and Allen 2011).

Table 1: Breakdown of Pop-up/Underground Chef and Founder Interviews by Entrepreneurial Engagement

At the time of interview....	Number of Chefs/Founders
Actively running a pop-up restaurant	51 Part-time: 35 Full time: 16
Transitioned to a Restaurant	8
Ended operations	6
<i>Total:</i>	65

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