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The Dilemma of Dual Identity in the Governance of Supportive Social Organizations: A Case Study of Chongqing C Technology Business Incubator

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Abstract: Supportive social organizations serve as a critical nexus between government and enterprises, facilitating grassroots governance. They possess a dual nature combining public welfare services and market-oriented operations, which gives rise to inherent structural governance challenges. Taking Chongqing Incubator C as a case study, this paper develops an analytical framework of "relationship–resource–value" by integrating multiple principal-agent theory, resource dependence theory, and institutional logics theory. The findings reveal that the organization's dilemmas stem from misaligned agent objectives, resource dependence that constrains autonomy, and conflicts among three institutional logics. The dual identity essentially reflects the intrinsic tensions generated by the interplay of multiple institutional logics. This study clarifies the governance pain points and provides a theoretical basis for optimizing organizational governance.

Keywords: Supportive social organizations; Incubators; Dual identity; Governance dilemmas; Institutional logics

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1. Introduction

The core function of supportive social organizations is to facilitate the growth and development of various social organizations and social enterprises. In the Chinese development context, science and technology business incubators represent a highly typical form of supportive social organizations. Their primary responsibilities include supporting the development of tech startups and serving as a bridge between government innovation policies and market-based entrepreneurial entities. They possess a dual nature of public service and market-oriented operation, and this unique duality has placed them in a distinctive governance predicament [1]. Such organizations are required both to fulfill public service tasks assigned by the government and to undergo standardized administrative performance evaluations, while simultaneously participating in market competition and relying on commercial operations for sustainable development.

Chongqing Incubator C serves as a typical case for analyzing this governance contradiction. Established under the auspices of a university, the incubator holds three national-level innovation and entrepreneurship incubation qualifications. Driven by local industrial "double growth" policies, it has achieved rapid expansion in both the number of resident enterprises and the volume of incubated projects. However, behind this scale expansion, various governance weaknesses have gradually emerged: the operational team lacks sufficient professional capacity, being able to provide only basic services and failing to offer in-depth mentoring throughout the entrepreneurial lifecycle; the precision of project incubation is insufficient, with diversified business portfolios leading to inadequate nurturing in specialized segments; resource connection channels are obstructed, and the "investment-plus-incubation" model continues to intensify the inherent conflict between public welfare missions and profit-driven market operations.

Against this backdrop, this paper takes Incubator C as a research case, integrates three theoretical perspectives—multiple principal-agent theory, resource dependence theory, and institutional logics theory—to construct a progressive analytical framework of "relationship–resource–value," and systematically unpacks the governance dilemmas and their formation mechanisms facing supportive social organizations from the perspective of dual identity.

2. Review of the development history and governance status of Incubator C

Incubator C was established in 2015 in affiliation with a university in Chongqing and officially commenced operations in November of the same year. Its development over the past decade can be divided into three phases:

Phase I (2015–2018): This period was characterized as a policydriven phase of extensive expansion. Leveraging the national policy dividends for mass entrepreneurship and innovation, the incubator secured over 20 incubation qualifications at different levels within three years, accumulating more than RMB 4 million in policy subsidies, with the number of resident enterprises peaking at 156. However, rapid expansion led to a hollowingout of service systems. In 2018, government subsidies accounted for 92% of its revenue, while professional service income amounted to only RMB 23,000, and the enterprise graduation rate was merely 2%. In effect, the incubator had devolved into a propertybased facility surviving on subsidies and rental income, heavily dependent on government resources, with severely deficient governance and service capacities of its own.

Phase II (2019–2021): This phase marked a period of frustrated transformation following subsidy reductions. In 2019, new national regulations on incubator management came into effect, shifting the industry from quantitative expansion to qualitative improvement, with policy support changing from exante allocation to expost rewards. Following this policy adjustment, Incubator C's annual subsidies plummeted from RMB 3 million to RMB 1.02 million, the vacancy rate of its premises rose to 65%, and its operational team shrank from 24 to 7 staff members. The incubator attempted to pivot to the electronic information industry sector, but failed due to a lack of specialized talent and industrial chain resources, fully exposing the problem of deficient autonomous governance capacity stemming from longterm resource dependence.

Phase III (2022–present): This phase has been one of capacity reconstruction empowered by policy. Relying on Chongqing's "Double Growth" policy introduced in 2023, the incubator established a comprehensive organizational and operational system. By the end of 2025, it had cultivated more than 30 hightech enterprises and 8 specialized and sophisticated enterprises, with the total output value of resident enterprises exceeding RMB 120 million. In 2026, it was successfully selected into the first batch of the Ministry of Industry and Information Technology (MIIT) National Technology Business Incubator Directory. However, alongside the growth in scale and capacity, the tension between the pursuit of marketoriented profitability and the original mission of publicinterest service has become increasingly prominent. In summary, Incubator C exhibits two typical characteristics: first, a high degree of resource dependence on the government, which constrains its governance autonomy; and second, a dual function encompassing both public welfare and market orientation, bearing a dualtrack development mission. These two features constitute the core starting point for the subsequent theoretical analysis in this paper. See **Table 1**.

Table 1. Threephase development history and governance characteristics of Incubator C

Stage	Time	Driving force	Core characteristics	Key data	Governance features
Policy-driven and rapid expansion phase	2015–2018	Innovation and entrepreneurship policy supply-side subsidies	Rapid scale expansion, hollowing of service capacity, “property-based intermediary	● Subsidies accounted for 92% of revenue; ● professional service income only ¥23,000; ● graduation rate 2%; ● peak number of incubated enterprises 156	Resource-dependent governance: highly dependent on government resource inputs, organizational governance capacity not yet developed, incubator plays the role of policy resource transmitter.
Subsidy reduction and transformation frustration phase	2019–2021	Policy shift towards quality improvement, subsidies changed from advance allocation to post-event rewards	Weaning means losing support, failed transformation to electronic information industry, survival crisis	● Subsidies from ¥3 million to ¥1.02 million; ● vacancy rate from 12% to 65%; ● team from 24 to 7 people; ● over ¥1 million invested in transformation with no return	Governance vacuum period: long-term dependence led to a lack of autonomous governance capacity, willingness to transform but without capability support, organization fell into governance failure.
Policy-driven and capacity reconstruction phase	2022–present	Double Growth Plan, post-subsidy mechanism	Focusing on biobased new materials track, building a fullchain service system	● Market-driven income from <10% to 64%; ● graduation rate 34%; ● cumulative hightech enterprises over 30; ● output value ¥120 million; ● selected as one of the first nationallevel lists by MIIT in 2026	Capacitybuilding governance: building a fourinone capability system of “strategic transformation – resource leverage – professional services – internal governance,” with governance dilemmas transformed accordingly.

3. Theoretical foundation and analytical framework

3.1. Theoretical foundation

This study integrates three classical theories to construct a progressively layered, threedimensional analytical framework, which examines organizational governance issues from three dimensions—relationship, resource, and value—in a stepwise manner.

3.1.1. Multiple principal–agent theory

This theory originates from the study of the separation of ownership and control in economics, and its core focus is on the goal divergence, information asymmetry, and resultant agency costs between principals and agents. When applied to the research context of supportive social organizations, the principal–agent relationship is no longer a unitary structure but exhibits a multilayered, nested character [2]. Specifically, the government entrusts the public task of cultivating scienceandtechnologybased startups to incubators; incubators delegate daytoday operations and incubation services to management teams; and resident startups rely on incubators to interface and integrate various external resources. Throughout this multilayered principal–agent chain, issues such as misaligned incentive mechanisms and deviations in execution objectives are prevalent [3]. This theory effectively elucidates the logic underlying governance conflicts in supportive social organizations from the perspective of organizational rights and responsibilities.

3.1.2. Resource dependence theory

Resource dependence theory, as established by Pfeffer and Salancik, posits that no social organization can survive independently; rather, it must obtain essential elements for development through resource exchanges with the external environment. The dependency relationships formed in resource acquisition directly constrain an organization's autonomous decisionmaking and strategic positioning. For supportive social organizations such as technology incubators, their development is heavily reliant on core resources provided by the government, including specialpurpose funds, policy advantages, and official accreditation. This prolonged resource dependency significantly limits the organization's operational autonomy and strategic choices, profoundly shaping its governance practices and development trajectory. This theory provides the core theoretical support for this paper to analyze organizational constraints from the resource dimension.

3.1.3. Institutional logic theory

The central tenet of institutional logic theory is that social organizations are always embedded within a web of multiple institutional rules, and that different institutional systems impose divergent normative requirements on organizational behavior. Supportive social organizations find themselves in a constant arena of contestation among three institutional logics: the administrative system demands that they fulfill assessment indicators and deliver public service tasks; the market system requires them to generate profits and ensure sustainable operations; and the professional system expects them to provide highquality, specialized incubation and empowerment services [4]. The conflicts and tensions among these three types of institutional logics constitute the underlying drivers of organizational governance dilemmas, providing a crucial analytical basis for this paper to interpret governance conflicts at the value level.

3.2. A threetier progressive analytical framework of "relationshipresourcevalue"

Drawing upon the above three theories, this paper constructs a hierarchical analytical framework of "relationshipresourcevalue," with each theory corresponding to a distinct analytical dimension of governance challenges (**Figure 1**). The multiple principal–agent theory focuses on the level of interactor interactions and serves to explain core issues such as the allocation of rights and responsibilities, the design of incentive mechanisms, and information transmission biases in organizational governance conflicts. Resource dependence theory, grounded in the perspective of resource allocation, elucidates how external resource dependence restricts organizational autonomy and how structural imbalances in resources constrain organizational strategy and operational behavior. Institutional logic theory, meanwhile, delves into the normativevalue dimension, revealing that the contestation and conflicts among multiple institutional rules are the deepseated causes of governance predicaments.

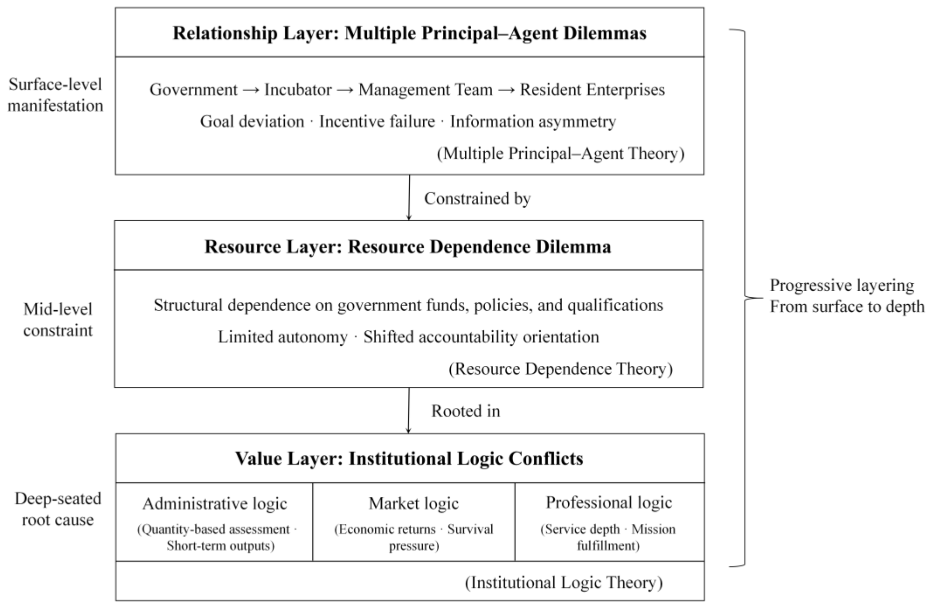

Figure 1. A three-tier progressive analytical framework for governance dilemmas of supportoriented social organizations from the perspectives of "relationship-resource-value"

The contradictions at the principal–agent level represent the external and visible manifestations of organizational governance problems, primarily reflected in concrete issues such as goal misalignment and incentive failures during routine operations. The constraints imposed by resource dependence constitute a midlevel structural restriction, serving as a key factor that compresses the organization's autonomy in operations and perpetuates governance deficiencies [5]. The value contestation among multiple institutional logics, in turn, represents the fundamental and deepseated cause rooted in the organizational development logic. This progressive analytical framework effectively unpacks the complete generative logic of governance dilemmas facing supportoriented social organizations, moving systematically from surfacelevel phenomena to underlying essences.

4. A threedimensional analysis of the governance dilemmas of Incubator C

4.1. Goal deviation under multiple principal–agent relationships

Incubator C exhibits three layers of principal–agent relationships: governmentincubator, incubatormanagement team, and incubatorresident enterprises, with governance failures present at each level. First, while the government pursues the public goal of cultivating highquality innovative enterprises, its performance assessment places greater emphasis on quantifiable shortterm indicators. To meet these assessment requirements, in its early stage, Incubator C unilaterally pursued the number of resident enterprises and activity sessions, even resorting to including some shell companies to inflate numbers, while neglecting the quality of enterprise cultivation and the development of professional services, resulting in a misalignment between public objectives and operational behaviors [6]. Second, there is an incentive mismatch between the incubator and its management team. In the early development phase, the organization prioritized survival as its primary goal, and the crude assessment model left the team with little motivation to deepen professional services; this issue only eased when subsequent performance was linked to cultivation quality [7]. Finally, there is a supplydemand misalignment between the incubator and its resident enterprises. The broadspectrum operational model covering multiple industry sectors makes it difficult to meet the specialized and differentiated cultivation needs of various enterprises, resulting in insufficient precision in incubation empowerment. At its core, this is a structural contradiction between the breadth of services and the depth of cultivation under limited resources.

4.2. Tension between government resource dependence and organizational autonomy

The resource dependence structure is the midlevel cause that gives rise to the above agency dilemmas. Incubator C's premises, funding, qualifications, and incentive policies are all highly dependent on government provision, with the allocation of core resources dominated by government authorities. The organization primarily responds passively to policies and lacks autonomous coordinating space. Strong resource dependence brings about dual governance constraints: first, strategic autonomy is limited, as the organization's industrial layout and service adjustments must align with government industrial planning, making it difficult to independently optimize development paths based on market demands; second, value orientation shifts, as the organization prioritizes alignment with superior assessment indicators, forming an inertial behavior of being accountable upward, which weakens its capacity to respond to the service needs of resident enterprises [8].

4.3. Inherent conflicts among three institutional logics

The contestation among multiple institutional logics constitutes the deep-rooted cause of governance dilemmas. Incubator C is simultaneously constrained by three institutional logics: government, market, and professionalism. The government logic pursues shortterm quantifiable assessment outcomes, demanding rapid expansion of scale and the production of visible indicators [9]; the market logic centers on organizational survival and economic returns, compelling the institution to achieve profitability through marketoriented operations and equitybased incubation; the professional logic, on the other hand, upholds the mission of social organizations, requiring deep engagement in the industry and the provision of refined, indepth incubation services. The three logics pull in different directions and conflict with one another, subjecting the management team to multiple and often contradictory pressures. The introduction of inefficient enterprises to cater to administrative assessments dilutes professional service resources and displaces the space for cultivating highquality enterprises, ultimately resulting in governance disorder where administrative logic squeezes out professional logic and scale expansion comes at the expense of cultivation quality. This constitutes the essential cause of the dualidentity dilemma facing supportoriented social organizations [10].

5. Conclusion and recommendations

5.1. Conclusion

Taking Incubator C in Chongqing as a case study, this paper employs the progressive analytical framework of "relationshipresourcevalue" to systematically investigate the formation mechanisms of the dualidentity governance dilemma facing supportoriented social organizations. The study clarifies the multilayered causes of organizational governance failure and reveals the intrinsic transmission logic of dilemmas across various dimensions.

First, at the relational level, goal deviation within the principal–agent chain gives rise to governance paradoxes. The government conducts performance assessments of the incubator based on quantifiable indicators, prompting the organization to focus its efforts on meeting assessment targets and amassing data outputs, while neglecting the genuine developmental needs of the resident science and technology enterprises. This results in a disconnect whereby assessment tasks are successfully completed, yet the core public service objectives remain unfulfilled.

Second, at the resource level, structural dependence on government resources undermines organizational autonomy [11]. Core developmental resources are supplied predominantly by the government, significantly constraining the incubator's strategic choices and autonomous operational space. This cultivates a behavioral inertia of aligning upward with assessments while weakening service delivery downward, gradually eroding its independent governance capacity.

Third, at the value level, the conflict among government, market, and professional logics constitutes the core root of the dilemma. These three logics take administrative efficiency, economic returns, and service quality as their respective primary criteria. The divergence in value orientations generates structural tensions within the organization, rendering any single governance strategy incapable of simultaneously accommodating multiple developmental requirements [12].

In terms of internal logic, institutional conflicts at the value level shape the pattern of organizational resource dependence, and the entrenched structure of resource attachment further locks in the allocation of rights and responsibilities as well as incentive rules under the principal–agent model. Therefore, the dual identity of social organizations is not a mere superposition of roles, but rather a structural governance problem arising from the coexistence and contestation of multiple institutional logics.

5.2. Recommendations

First, the functional positioning of social organizations should be optimized. Supportoriented social organizations serve as the core vehicle for coordinating multiple institutional logics; they are not merely instruments for executing government services, but must simultaneously accommodate the diverse demands of government supervision, market operations, and service recipients [13]. When formulating support policies, governments should avoid excessive intervention driven by a single administrative logic, and instead reserve space for marketoriented operations and professional service delivery.

Second, the performance evaluation mechanism should be innovated to shift from quantitative assessment to capacity empowerment. Traditional datadriven assessments tend to induce goal displacement, causing services to become perfunctory. A multidimensional evaluation system encompassing strategic transformation, resource integration, professional services, and internal governance should be established, so as to encourage social organizations to enhance their substantive service capabilities and abandon the formalistic model of datatarget compliance.

Third, resource acquisition channels should be expanded to reduce dependence on a single source of government funding. Excessive reliance on public resources distorts the service orientation of organizations. Governments can empower social organizations through mechanisms such as service purchasing, project cooperation, and performance-based incentives, while simultaneously safeguarding their autonomous operational space [14]. For social organizations themselves, the core capability to break through governance dilemmas and achieve sustainable development lies in establishing a dynamic balance among administrative tasks, market survival, and professional mission.

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