The Rise of Hybrids: A Note for Social Entrepreneurship Educators

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Abstract. Social entrepreneurship education is a rapidly emerging topic in the global education sector. Several articles and special issues have made a significant theoretical and practical contribution to the topics and methods adopted to train and educate social entrepreneurs. Despite these past contributions, we believe that prior publications have left a hole in the literature with regard to the instruction and development of social entrepreneurs and others interested in hybrid organizing. In our paper, we address this gap and outline the main topics related to hybrid organizing structure that should be included into the fabric of the social entrepreneurship education curriculum offered by social entrepreneurship educators while training and developing prospective social entrepreneurs. Our essay outlines key topics to integrate into educational programs and the techniques that can be adopted to mitigate the tensions, overcome the challenges and leverage the advantages generated by hybrid organizing in social entrepreneurship.

Keywords: social entrepreneurship education, hybrid organizing.
1. **Introduction**

Social entrepreneurship is a process that offers innovative solutions to complex and persistent social and environmental problems that government and private enterprises often fail to resolve (Kickul and Lyons, 2016; Mair and Marti, 2006; Zahra et al., 2009). The Global Entrepreneurship Monitor’s (GEM) research on social entrepreneurship reported the prevalence of social entrepreneurial activity at an average rate of 2.8% in 2009 (Terjesen et al., 2009). This climbed to 3.2% in 2015 (Bosma et al., 2015), thus recording an increase of 14.3% in 6 years, globally. These GEM reports suggest that social entrepreneurial activity is relatively rare but is a growing phenomenon.

Social entrepreneurship came into prominence in the face of depleting financial resources, rising costs and a growing competition among social purpose organisations to acquire public and private grants (Dees, 1998; Defourny and Nyssens, 2010; Spitzeck and Janssen, 2010). Most definitions of social entrepreneurship stress its hybrid nature (Saebi et al., 2019) and social and/or environmental value (Dacin et al., 2011; Dacin et al., 2010; Peredo and McLean, 2006). Thus, social entrepreneurs aim to create social wealth while also pursuing financial goals by exploiting market-based solutions and by utilizing a wide range of resources (Bacq and Janssen, 2011). As social entrepreneurship cross-fertilises social logic with economic logic, hybridity is considered as one of its inherent characteristics (Battilana and Lee, 2014; Doherty et al., 2014).

Hybrid organisations have been defined as “enterprises that design their business models based on the alleviation of a particular social or environmental issue. Hybrids generate income and attract capital in ways that may be consistent with for-profit models, nonprofit models, or both” (Haigh et al., 2015b, p. 5). These organisations contain characteristics of more than one sector (Billis, 2010). It is an organisational form combined of business and social purpose that social entrepreneurial ventures employ (Battilana and Lee, 2014; Doherty et al., 2014). As Hockerts noted, in recent decades, “hybrid enterprises have emerged as an alternative means for social purpose organisations to achieve their mission” (Hockerts, 2015, p. 103).

Previous literature has associated hybridity as an efficient and strategic fit to the new demands of the dynamic economic and market environments (Powell, 1987; Bradach and Eccles, 1989). In different industrial sectors, hybrid organising was utilised as an attempt to neutralize the weakness of one governance structure with the strength of another governance structure (Williamson, 1975, 1991). However, more recently, several studies have discussed the different advantages (Mitra et al., 2017) as well as the different tensions created by hybridity in social entrepreneurship (Battilana and Dorado, 2010; Battilana et al., 2015; Kannothra et al., 2018; Kent and Dacin, 2013; Pache and Santos, 2010, 2013; Smith et al., 2013; Zhao and Lounsbury, 2016).

As social entrepreneurship embodies hybridity as its fundamental characteristic (Battilana et al., 2012; Haigh and Hoffman, 2012; Hockerts,
2006), it is important for educators to train and develop social entrepreneurs by exposing them to the challenges, benefits and impacts of hybridity and its paradoxical nature of tensions (Knight and Paroutis, 2016). Additionally, Kickul et al. (2018) highlighted that time is ripe to think about new ways of augmenting the curriculum of social entrepreneurship education. Our paper suggests that hybrid organising is germane and central to the social entrepreneurship education curriculum. Our review of past publications also noted that significant contributions have been made by developing different discussions, pedagogic devices and training methods for social entrepreneurs such as the ones developed by Glunk and Van Gils (2010), Kickul et al. (2018), Kickul et al. (2012), Pache and Chowdhury (2012), Smith and Woodworth (2012) and Tracey and Philips (2007). However, there is an omission on the topic of how prospective social entrepreneurs should be trained and equipped with necessary skills to manage a hybrid social enterprise. We advocate that the theme of hybrid organising must be evoked by social entrepreneurship educators while training and developing students that will eventually manage and navigate the challenges of the hybrid nature of their social enterprises. It is for this reason that our essay advocates a conceptual roadmap to expose students to the theoretical and practical knowledge related to hybrid organising in social entrepreneurship.

In the next section, we illustrate our pedagogic framework that circumscribes seven key themes of hybrid organising that can be utilized by social entrepreneurship educators. A discussion outlining a roadmap of hybrid organising and some concluding thoughts on different ways to deliver the course is presented.

2. Fabric of the Hybrid Curriculum

We propose that the pedagogic fabric of hybrid organising in social entrepreneurship education should be designed around seven key themes for students interested in adopting the hybrid organising form in their social enterprises. These themes should outline 2.1) a theoretical understanding of hybrids in the context of social entrepreneurship, 2.2) an understanding of why hybrids are needed, 2.3) some examples of hybrid forms in social entrepreneurship, 2.4) challenges of hybrid organising, 2.5) advantages of hybrid organising, 2.6) how to effectively manage tensions in hybrids and 2.7) the hybrid roadmap. The following sections describe these themes with suggested approaches to integrate them into social entrepreneurship training and development.

2.1. Theoretical Understanding of Hybrids in Social Entrepreneurship

Social entrepreneurship education is gaining momentum in universities, business schools, incubators, and educational training programs. As a multi-disciplinary
field that draws from entrepreneurship, strategy, and business ethics, social entrepreneurship education provides a unique opportunity for business schools to design an environment to teach courses and train students interested in pursuing a hybrid structure for their social enterprises. As social entrepreneurship has developed in recent decades, there have been distinct approaches to educational activities while pedagogical frameworks and tools have been designed, shared and used in educational settings around the world (Brock and Kim, 2011). During its evolution, entrepreneurship curricula included general management education topics and competencies, e.g. strategy, finance, accounting, marketing, human resources. This knowledge was extended by building courses and programs that included opportunity-specific and venture-specific knowledge (Vesper, 1998). As Pache and Chowdhury (2012) explained, contemporary entrepreneurship education has shifted focus from educating “about” entrepreneurship (e.g. principles and practices) to educating “for” entrepreneurship (e.g. individual skills, characteristics and behaviors) which enables students to become effective entrepreneurs. Kirby (2004), for example urged that programs help students develop communications, creativity, critical-thinking, leadership, problem-solving and social networking skills. Further differentiating social entrepreneurship education, Pache and Chowdhury (2012) proposed teaching the skills needed to connect three competing logics: social-welfare, commercial and public sector. We discuss the contribution of this framework in greater detail in Section 2.4 of this paper. Building upon this, Zhu et al. (2016) proposed a social-practice wisdom curriculum matrix that includes emphasis on values-led practice and problem-solving to help social entrepreneurs maximize social impact.

Social entrepreneurship education has grown prolifically in recent years. Yet, there is still a confusion among different stakeholders, such as students and practitioners, about the theoretical definition and the practical structure of a hybrid social entrepreneurial venture. For this reason, we propose that social entrepreneurship educators should provide a useful definition and outline clear illustrations of the different types of hybrid social business models that exist. One such definition is that social business models are designed to address some of the world’s most pressing social and environmental problems accompanied by income generation strategies structured under a for-profit model, non-profit model, or both simultaneously (Haigh et al., 2015b). For example, a hybrid social enterprise could be a non-profit organisation supported by a mix of philanthropic funds and earned income and that would limit itself from participating in profit maximization or shareholder value creation (Dees and Anderson, 2002; Dees and Anderson, 2006). Social enterprises could equally operate under a for-profit model and engage in income generation and attract investment from professional investors (Dees and Anderson, 2002; Kickul and Lyons, 2016). Such is the case of a Norwegian social entrepreneurial venture named Unicus that had raised capital and acquired soft loans from an investor for the launch and future expansion of the organisation (Mitra et al., 2017).
Hybrid social enterprises might also target sustainable market-based solutions in a way that the revenue generated makes them completely self-sufficient. They could also exist as a traditional non-profit entity pursuing a social mission combined with a traditional for-profit entity pursuing financial objectives (Haigh et al., 2015b). Destiny Reflection/Foundation, a social entrepreneurial venture based in Calcutta, India is an example of this category of a hybrid social entrepreneurial venture. Upon launch of the organisation, it structured Destiny Foundation as a traditional non-profit pursuing a social mission accompanied by Destiny Reflection as a fashion business division pursuing its financial objectives. Thus, depending on the competing demands of a social mission and the commercial objectives, hybridity in social entrepreneurship can be understood as a balancing act between these two bottom-line logics.

Educators are also encouraged to generate a clear theoretical understanding by explaining that hybrid organising in social entrepreneurship is based upon the basic foundation of creating both social value and commercial revenue through a single unified strategy. As Zahra and Wright (2016) noted, entrepreneurs may build hybrid organizational and governance structures that facilitate both social and commercial objectives in pursuit of the desired blended value. Such value creation could range from producing a local impact to a global impact or span across rural to urban spaces.

Furthermore, a design thinking approach has been advocated that leverages the four mega-themes of social entrepreneurship: innovation, impact, sustainability and scale (Kickul et al., 2018). We believe that these four mega-themes have direct implications for hybridity in social enterprises. Students can attain project-based learning experiences and be encouraged to exhibit their creativity skills and the sensibility of a designer to create a solution to a poorly defined wicked problem using a viable hybrid strategy (Brown, 2008). Based on the needs of the beneficiaries, the solution is designed through an iterative process of gaining access to understand problems and users in the field, knowledge sharing and brainstorming (Dunne and Martin, 2006; Wang and Wang, 2011) within the framework of a hybrid structure. These experiential approaches, in conjunction with knowledge and training on the opportunities, features and challenges of hybrid organising, can improve desired outcomes of educational programs in social entrepreneurship. While social entrepreneurs act as agents of creating social impact to improve society and the environment, they could also engage in creating long-term systemic change by scaling-deep or scaling-wide through the use of innovative and financially sustainable hybrid strategies (Kickul and Gundry, 2015; Kickul et al., 2018).

Furthermore, given the social, political, economic and cultural differences between countries, educators must design their lectures in order to launch discussions on country specific differences of social entrepreneurial activities. For example, according to the GEM 2015 report (Bosma et al., 2015) some developed countries like USA and Australia reported 11% and 11.1% involvement in social entrepreneurial activities respectively. These levels are
higher compared to the global average noted as 3.2%. A deeper analysis of these numbers might also provoke students to ponder why lower levels of social entrepreneurial activities are taking place in less developed countries such as Morocco (1.1%), Vietnam (1.4%) or Thailand (2.9%). Previous studies suggest that social entrepreneurship often exists among institutional voids (Mair and Marti, 2009) and resource scarce or penurious environments (Domenico et al., 2010; Peredo and Chrisman, 2006), making lesser developed countries an ideal location for its launch and growth. Referring to the above data retrieved from GEM 2015, it is not clear why certain countries report more activity than the others. Such debates and analysis of critical issues must be contemplated by educators in order to improve theoretical and practical understanding of social entrepreneurship.

2.2. Why Are Hybrids Needed?

It has been discussed that social entrepreneurship education has been suffering from a lack of theorizing (Pache and Chowdhury, 2012). We urge that students should be encouraged to gain a theoretical understanding of the role that hybrid organising in social entrepreneurship plays and why hybrids are needed. In the face of free market ideology and the on-going global economic crisis, there has been a constant decrease in the availability of funding, grants and philanthropic investments from government institutions, public bodies and the private companies in both developed and developing nations (Hoogendoorn et al., 2010; Hoogendoorn, 2016; Kickul and Lyons, 2016). Private sector investors have also been reluctant in investing in social entrepreneurial projects due to the uncertainty of financial return on investment (Lumpkin et al., 2013; Lyons and Kickul, 2013). As a result, there has been an increasing reliance on self-organising and self-sufficiency through self-generated income that has led social enterprises to intentionally adopt or circumstantially design (Doherty et al., 2014; Tracey et al., 2011; Wilson and Post, 2013) mechanisms of revenue generation for their social purpose organisations. For example, Anwesha the Quest, a social enterprise based in Calcutta, India, eventually adopted and incrementally expanded its market-based activities to generate revenue to run its organisational activities. Another example is the case of Aspire, a social enterprise based in UK launched to tackle homelessness in Bristol and Oxford. Right from the start, Aspire was launched as a standalone self-sustaining social business (Tracey and Jarvis, 2007; Tracey, Phillips and Jarvis, 2011). Thus, as financial viability is vital in order to sustain the social mission along with the social innovation designed by the social entrepreneur (Haigh et al., 2015b), there has been a rise in the adoption of hybrid form of organising among social businesses (Mair and Marti, 2006; Mitra et al., 2017; Santos 2012).
2.3. A Few Examples of Hybrids in Social Entrepreneurship

Below we illustrate three different types of hybrid organising models through some real case examples. These three types of hybrid social entrepreneurial business models could be discussed with students.

2.3.1. Hot Bread Kitchen: A Non-Profit Hybrid Social Enterprise

Founder Jessamyn W. Rodriguez realized that due to lack of fluency in English, credential recognition, family structures and inadequacy of professional networks, immigrants, especially immigrant women, were forced to the periphery of the society where they often ended up staying at home or accepted low-paying domestic jobs. She also realized that 5.7 million immigrant women lived below the poverty line in the United States. Having a master baking certificate and work experience related to immigration policy at the United Nations, Jessamyn launched Hot Bread Kitchen as a non-profit social enterprise in 2007 in New York City’s East Harlem. The founder aimed at bridging this social gap in New York City by offering paid nine month training in baking to immigrant women. These women brought with them ethnic baking recipes from different countries. On the job, the women were also trained in basic math, science, English fluency and management skills. After nine months of intensive training, some bakers continued to stay in the job while others were helped to incubate small businesses. Other women were also encouraged to secure jobs in the culinary industry. Eventually, Jessamyn also helped create a fractional shift in the male dominated culinary industry of baking and selling breads.

The concept of Hot Bread Kitchen has been widely acclaimed for its innovative selection of international, ethnic and artisanal breads. Simultaneously, this social business model has become an award-winning workforce development program by employing low-income immigrant women, baking bread inspired by their countries of origin, while learning job skills that led them to acquire professional positions in the food industry. While aiming to run this non-profit, the founder realized that all the activities of the social enterprise could not be supported only by selling breads. As a result, along with the revenue generated through sales of bread, the social enterprise had been supported by initial seed funds, corporate donations, private donations and even crowdfunding activities (Ashoka Changemakers, 2016-2017). The illustration of Hot Bread Kitchen allows students to learn how the social organization has combined two traditionally separate models: a social welfare model that guides its workforce development mission and a revenue generation model that guides its commercial activities. Additionally, it is highlighted that revenue generation does not necessarily limit the non-profit’s access to philanthropic funds.
2.3.2. Frogtek: A For-Profit Hybrid Social Enterprise

Frogtek, another example of a hybrid social enterprise, was launched in 2008 as a for-profit dedicated to developing and deploying inexpensive business tools, technical devices and mobile software for micro-entrepreneurs in emerging markets such as Mexico and Columbia. The social enterprise aimed to boost the productivity, profits and business growth of small shopkeepers and micro-retailers by allowing them to digitally record their sales, store expenses and revenues. In order for Frogtek to scale out and reach as many micro-entrepreneurs and “mom and pop” stores as possible, CEO and founder David del Ser decided to incorporate Frogtek as a for-profit right from its launch. He believed that scaling wide and creating a larger social impact would necessitate startup financing from mainstream venture capital. The insight for students is that Frogtek’s for-profit social business model had been successful in attracting angel investors. Even though attracting investors for its unique model was challenging, David del Ser was careful in engaging only with those venture capitalists whose values aligned with those of his organization (Battilana et al., 2012).

2.3.3. Embrace and Embrace Innovations: A Non-Profit Arm and a For-Profit Arm

While attending a program at a highly reputed university in the United States, four graduates named Jane Chen, Linus Liang, Razmig Hovaghimian and Rahul Panicker developed an idea to commercialize a low-cost incubator for premature infants. Later, the founding team was joined by Naganand Murty. The team learned that twenty million babies were born prematurely worldwide and four million infant deaths occurred due to premature birth, mostly in developing countries (Radjou et al., 2012). Around 2008, the team cofounded a social enterprise and started developing an incubator at a fraction of the price of fabrication in developed countries. They pursued a social mission aimed at reducing infant deaths due to premature birth, mainly in developing countries, underdeveloped nations and rural areas. The company that was launched was called Embrace. Chen (2013) explained that given the inherent risks of launching an untested product, the uncertainty related to the commercial viability of the incubator and the inexperience of the young management team, Embrace was launched as a non-profit organisation and was created under 501(c)(3). Entities operating under 501(c)(3) benefit from tax exemptions and can offer tax exemptions to its donors under certain conditions.

To access a wider pool of investors and venture capitalists, to raise capital and to scale up its operations in order to create a higher social impact, a for-profit arm named Embrace Innovations was spun off by Embrace. The non-
profit Embrace and the for-profit Embrace Innovations acted as a hybrid entity that helped the founding team pursue its social mission of reaching out to as many infants as possible with a low-cost incubator, along with pursuing its financial objectives that would support the organization in developing new medical devices for at risk babies. The hybrid entity was created such that the nonprofit owned equity in the for-profit, a structure that gave the nonprofit power to control the activities of the joint venture while protecting its social mission. While sharing such real-life cases, students must also be made aware that Embrace’s model was complicated and the team had to constantly restructure and experiment with its hybrid organising structure (Etzel, 2015).

2.3.4. Challenges of Hybrid Organising

Social entrepreneurs are individuals embedded in competing institutional logics of social welfare, commercial sector and public sector (Pache and Chowdhury, 2012). To mobilise resources and navigate through the different institutional spheres, social entrepreneurs could encounter different challenges related to competing logics, cultural differences or conflicting interests of various stakeholders (Battilana and Dorado, 2010; Tracey et al., 2011). Additionally, similar to the efforts of commercial business entrepreneurs, social entrepreneurs must be trained to manage their social enterprises by utilizing their business skills and by regularly measuring their financial performance along with the social impact created (Kickul et al., 2012). It can be complex and challenging for social entrepreneurs who manage hybrid organisations to combine the distinctive social and economic objectives (Dees and Elias, 1998; Austin et al., 2006). In this section, we discuss some key complexities and challenges that hybrid entities might face due to this bifurcated structure.

It is important for students to understand the different tensions and disputes that owners, managers and other stakeholders of hybrid social enterprises could face at the time of launch and beyond. First, social entrepreneurial ventures demonstrate arenas of contradiction while harnessing competing demands of a market logic that is traditionally associated with for-profit commercial businesses, with a social welfare logic that is traditionally associated with non-profit organisations or charities. In their quest to incorporate incompatible logics and coalesce antagonistic practices, the stronger logic often tends to prevail and fight over the weaker logic (Greenwood et al., 2011; Pache and Santos, 2010; Tracey et al., 2011; Zilber, 2002). This in turn triggers institutional conflict within hybrid organisations. Thus, competing logics in hybrid social entrepreneurial ventures create stringent demands and operational tensions on the organisation, where either the market logic wins over the social-welfare logic, or vice-versa (Pache and Santos, 2013). This can be seen in the case of Aspire in the UK (Tracey et al., 2011). Accounts suggest that the organisation collapsed a few years after it was scaled nationwide as the social entrepreneurs could not manage to satisfy the competing demands of the market logic (i.e.,
clients) and the social logic (i.e., beneficiaries). Students must be exposed to this potentially paralyzing conflict of logics, and encouraged to achieve a balance between the hybrid logics.

Second, research suggests that due to their dual identity and divergent goals, hybrids are fragile organisations that run the possibility of “mission drift” (Battilana and Dorado, 2010; Foster and Bradach, 2005; Kent and Dacin, 2013). Tensions and drift in mission tend to occur while intermingling paradoxical ideas of market dynamics with social purpose that is traditionally associated with non-profits or charities. The risk of mission drift, such as the cases studied in the microfinance sector (Kent and Dacin, 2013; Khavul et al., 2013), has been noticed as the market activity of serving the needs of the commercial clients are unintentionally or intentionally given more importance than serving the beneficiaries (Santos et al., 2015). Such tensions are accentuated further by sectoral and macro-environmental forces in which the hybrid organisation is embedded (Hockerts, 2010; Khavul et al., 2013). Hence, students must realize that balancing a social mission with an economic mission can be challenging.

Recent work by Castellas et al. (2018) goes beyond the high-level tension between social and financial goals to investigate how hybrids respond to value pluralism, or how they attempt to sustain multiple values and logics. This work argues that organisations respond to “specific challenges rather than amorphous tensions,” and “a critical success factor of hybrids is the ability to sustain pluralism.” Castellas et al. (2018) demonstrate that organisations which are successfully able to navigate the balancing of otherwise disjointed activities follow a four-step process model that includes (1) separating value into distinct components (i.e. social, environmental, or financial), (2) negotiating the value of those priorities over one another, (3) aggregating the components into a notion of blended value, and (4) continually assessing value creation, re-negotiating as necessary.

The above mentioned work highlights the need to educate students in skills that are particular to hybrid organisations, which must balance unique demands that are not present in traditional enterprises. Al Taji and Bengo (2018) investigated the particular managerial skills required by hybrid organisations. Like Castellas et al. (2018), Al Taji and Bengo (2018) urge that we study the specific and complex challenges associated with hybrids, as opposed to only focusing on general tensions. The above authors suggest exploring “specific practical challenges [to demonstrate] how the general challenges appear in practice and then how specific skills can be associated with them.” Al Taji and Bengo’s (2018) work within the stages of paradoxical leadership for social entrepreneurs was developed by Smith et al. (2012). Based on an in-depth study of Italian organisations, the authors identified a number of specific skills needed to manage the distinct challenges that hybrid organisations face. These specific skills are ones that educators should strive to impart in the classroom: (1) adopting an abundance mentality, (2) embracing paradoxical thinking, (3) recognizing the distinct value of each domain (i.e. social and commercial
domains), (4) mindfully attending to the distinctions between domains, (5) developing trust, openness and cultural sensitivity, (6) and seeking synergies in decision making to support both social and cultural domains (Al Taji and Bengo, 2018). These findings raise a challenge in that successful integration of these skills will require grounding in a number of disciplines, some of which fall outside of traditional business curricula.

Furthermore, contrary to the studies conducted in the microfinance sector where the market logic dominated over welfare logic, Battilana et al’s (2015) study related to work integration social enterprises noted “social imprinting” as a challenge that organisations operating at the intersection of social and commercial sectors faced. The authors (Battilana et al., 2015) viewed that overall social performance can also be negatively affected through the social enterprises’ over consciousness on achieving its social mission. Such an emphasis on pursuing the social mission can be viewed as a challenge as it indirectly weakens the social outcome by negatively affecting the commercial activities and financial objectives. Thus, through such examples, we recommend that social entrepreneurship educators paint a picture of both perspectives of mission drift so that students can understand the necessity of fine-tuning the balance between social value creation and financial value creation.

Fourth, social enterprises could adopt different legal and organisational structures, such as the three examples (i.e. Hot Bread Kitchen, Frogtek and Embrace and Embrace Innovations) discussed in the previous section. Irrespective of for-profit or non-profit structure, hybrid entities could also face difficulties in attracting philanthropic donations or raising capital from private investors. Stakeholders might question the organisational legitimacy due to the organisation’s divergent identity (Smith et al., 2013) and dual mission (Doherty et al., 2014; Moss et al., 2011). This could further lead to confusion among different types of investors as they would tend to associate hybrid entities with low social or financial return due to its overlapping pursuit of a social mission and a commercial objective (Miller and Wesley, 2010). For example, Frogtek’s founder revealed that attracting venture capital, even for his for-profit hybrid social enterprise, had been challenging as investors associated such investments as risky (Battilana et al., 2012). Finally, for the same reason, challenges could also arise while attracting a workforce due to the conflicting demands of stakeholders originating from divergent backgrounds.

2.4. Advantages of Hybrid Organising

The combination of forms in hybrid organising leads to challenges as well as unique possibilities (Battilana and Lee, 2014). In this section, we discuss three main advantages of hybrid organising that we think should be discussed with prospective adopters. Students must be alerted to the specific role that income plays in hybrid models. Some studies have highlighted that hybrid organising leads to economic-sustainability, efficiency and aids the redistribution of
economic resources (Santos et al., 2015; Mitra et al., 2017; Wilson and Post, 2013). Highlighting some cases from Norway, Mitra et al. (2017) discussed that simultaneous pursuit of social and financial mission helped social entrepreneurs in maintaining a steady cash-flow. Thus, designing a stable and sustainable model has been advocated by Kickul et al. (2018). Income generation also helped the Norwegian social entrepreneurs in scaling and creating a wider social impact, as explained by the empirical study conducted by Mitra et al. (2017). Through another study, Wilson and Post (2013) also noted that self-sustainability was perceived as a more reliable model than donation-based models. Furthermore, through participation in market-based transactions, hybrid models created conditions for wealth creation and redistribution in the local, national and global economy (Wilson and Post, 2013). This further leads to efficient organisational models along with efficient economic systems (Mitra et al., 2017).

Finally, the legal structure of hybrid social ventures should be discussed, as these confer certain advantages and flexibilities. Haigh et al. (2015a) note that social entrepreneurs have a strong desire for flexibility in achieving their aims, and that over time, a hybrid organization’s legal structure becomes a primary tool for balancing social and financial goals.

For instance, hybrid social organisations can be registered under different legislative categories, such as a benefit corporation, 501(3)(c), low-profit limited liability company (L3C), non-governmental organisation (NGO) or an association. Determined by the country or state’s legal and taxation policies, the legal structure adopted can allow hybrid organisations to gain an advantage through friendly taxation policies. Furthermore, some legal structures allow tax benefit to donors while other structures might place favourable conditions on fund-raising through venture capitalists. Thus, students must be made aware of such structures so that they can treat them as strategic tools while embarking on solving some of the most pressing problems of the world.

2.5. How to Effectively Manage Tensions in Hybrids

Conflicting demands distract social entrepreneurs from strategically focussing on the joint pursuit of the dual social and commercial missions. We believe that prospective social entrepreneurs must also be trained to adopt different techniques to mitigate the challenges and leverage the advantages posed by hybrid organising. Some methods explored through case studies suggest that building a sustainable hybrid organisation can be pursued through recruiting employees and managers with the right balance, developing a common organisational identity among them, and by adopting formal and informal socialization processes (Battilana et al., 2015; Battilana and Dorado, 2010).

In order to build a common organisational identity, studies show that in some cases, hired employees must be free from attachment from either of the competing logics. As a result, new graduates from universities that do not have
extensive work experience might be recruited and trained to work for hybrid social enterprises. Such training and apprenticeship processes should also create spaces of socialization with organisational members and promote job-shadowing of a senior colleague. This would help young individuals acclimatize with the dual identity of the hybrid organisation right from the start of their career (Battilana et al., 2015; Batilana and Dorado, 2010).

Another hiring method highlighted by the above-mentioned authors was to recruit an executive director skilled in both business and social issues. Additionally, non-executive employees should be recruited with an even balance such that one group of employees would bring extensive knowledge and work experience either from the social sector or from the commercial sector. This should be followed by regularized group rituals, meetings and exchanges in order to understand each other’s job responsibilities and challenges. To fill mid-level management positions, internal promotion of employees could be preferred.

To avoid tensions and preserve organisational hybridity, management should create “spaces of negotiation” (Battilana et al., 2015) through formal and informal socialization processes. This is consistent with the process model by Castellas et al. (2018), which allows for organisations to embrace pluralism to sustain blended value. To follow Battilana et al. (2015), spaces of group discussion, exchanges and socialization processes are utilised such that each adopter of one logic engages and consults with the adopter of another logic before decision-making. If a decision is not reached, the executive director takes the lead and comes in to mediate the tensions. Additionally, it is also very important to discuss progress on social and commercial objectives, create transparency of the social and business activities, and define goals, metrics and schedules. Finally, the organisation must also discuss possible clashes and design creative solutions. In times of conflict, the executive director should make the final decision.

Furthermore, it should be emphasized that both the above techniques come with certain advantages and disadvantages. Accounts suggest that the above two methods discussed only allows an overview of two different approaches often taken by hybrid social enterprises to avoid or resolve tensions related to organisational identity and conflicting interests of stakeholders. Although it is hard to justify which method is better than the other, they do, however, enable the cohort to understand how executive directors and management can arbitrate tensions.

Lastly, Roundy (2017) has demonstrated the hybrid nature of entrepreneurial ecosystems. He asserts that hybrid support organizations, such as incubators, accelerators, etc., “play a critical role in introducing and spreading dual institutional logics” and that when participants in the ecosystem “interact with hybrid support organizations, oftentimes at formative stages in the entrepreneurial process, they gain exposure to the logics that drive these organizations and that are in, turn, dominant in entrepreneurial ecosystems”
(Roundy, 2017). The above scholar expounds that (social) entrepreneurs who wish to be successful members of such an ecosystem must align with that ecosystem’s dominant logics. In this way, nascent hybrid organisations may draw support from larger entrepreneurial ecosystems as they learn to navigate their particular tensions and trade-offs.

**Figure 1: The Hybrid Roadmap**

2.6. The Hybrid Roadmap

In conclusion, students can be guided in formulating a hybrid roadmap. It is essential for students to understand that as the social mission of the social enterprise is its primary mission, the organisational activities should be created around the social or environmental cause that the venture attempts to alleviate. Hence, as a first step, students should ask themselves, (1) “what is the social mission of the organisation?” and (2) “what is the social impact that we would like to achieve?” Once the social mission has been articulated, students should start exploring the different resources they need and the activities the organisation should put in place in order to achieve its impact. Furthermore, it is also necessary to guide students in formulating different market-based strategies that would support the economic sustainability of the primary mission. Thus, as a next step, students must explore, (3) “what resources do we need to fulfil our social impact?” and (4) “what activities does the organisation need to have in place to achieve its impact?” Additionally, often the beneficiaries of the social project are underprivileged and might not be able to pay for the services generated by the social enterprise. In this case, it becomes vital to design the organisational activities such that they generate enough revenues to sustain the social mission. Thus, students should be encouraged to think about market-based
activities and ask themselves, (5) “how is the social mission and the impact going to be sustained financially?” Finally, students must understand that the legal structure of hybrid social entrepreneurial ventures should be chosen carefully. The legal structure can be seen as a strategic tool to achieve social and financial needs. Hence, students must study the legal structures carefully to affirm, “what is the best legal structure that supports the mission and the impact?” Figure 1 gives a diagrammatic overview of the hybrid roadmap.

3. Discussion and Concluding Thoughts

Over the last few years, government institutions, policy makers, practitioners and academics have started placing emphasis on the role that social entrepreneurs play in society. Theoretically as well as practically, there is a need to develop models, structures and processes at the macro-environment level in order to support their activities so that social entrepreneurial ventures can function more effectively by overcoming key constraining factors (Chell et al., 2016). One of the ways to support social entrepreneurs is through development of unique pedagogic frameworks that will facilitate launching and managing hybrid social entrepreneurial ventures.

Through this paper, we outlined some topics that will aid social entrepreneurship educators while training and developing students interested in the topic of hybrid organising in social entrepreneurship. First, students must understand why hybrid organising became popular. Students must also gain a theoretical understanding of the hybrid organisation form that is characterised by overlapping social-welfare logic and commercial logic. Additionally, some relevant examples of such organisations based in developed countries as well as developing countries must be provided. These examples include non-profit structures, for profit structures and organisations that have established both non-profit and for-profit structures simultaneously. Finally, the challenges, advantages and some strategies to navigate the tensions that are created by such a bifurcated structure must be discussed.

As a note to social entrepreneurship educators, our essay also focusses mainly on the theoretical aspects of teaching hybrid organising in social entrepreneurship. As a discussion on developing practical knowledge on hybrid organising is warranted, we call for future research studies on how prospective social entrepreneurship students can gain hands-on and practical skills in managing a hybrid social entrepreneurial venture. Moreover, as discussed earlier, the four mega-themes of social entrepreneurship: innovation, impact, sustainability and scale (Kickul et al., 2018) can provide a useful framework for teaching hybridity and strengthening the effectiveness and impact of social entrepreneurship education.
In sum, hybrid organising is an important theme in the social entrepreneurship education discourse. Recent articles on social entrepreneurship education have omitted a discussion around this topic. Observing this gap, we attempted to contribute by outlining the key topics central to hybrid organising that must be included in the fabric of the social entrepreneurship curriculum. Furthermore, it is our hope that this discourse on hybrid organising will not only help in training future social entrepreneurs, but also facilitate educators in order to motivate students from any discipline, including prospective entrepreneurship students and future managers of businesses, to harness, combine and synthesise hybridization strategies across organisational activities. We believe that the theoretical knowledge about the advantages, challenges and the methods to mitigate the tensions inflicted by hybrid organising featured in this current paper would allow educators to train not only prospective social entrepreneurs, but any stakeholder interested in broadening their focus beyond financial value generation.

References:


