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SYMBIOSIS ACROSS INSTITUTIONAL LOGICS IN A SOCIAL ENTERPRISE

ABSTRACT

Purpose. Non-profit organisations are moving from being permeated with social institutional logics to becoming increasingly influenced by market logics. These organisations thereby have to cope with multiple, often conflicting, logics. The existing literature on hybrid organisations has investigated the consequences of multiple logics, focussing in particular on the conflicts and power struggles between the agents of different logics. This paper examines a social enterprise, which in recent years has experienced a shift towards market logics while being firmly grounded in a non-profit social logic.

Design/methodology/approach. This paper is a qualitative, single-case case study of a social enterprise based on interviews and observations.

Findings. The paper investigates how this hybrid organisation experienced and responded to an organisational environment marked by multiple institutional logics. Unlike the subjects of many previous studies, the organisation managed to accommodate and assemble the logics in an unproblematic symbiosis. A strong ideological congruence across institutional logics appears to play the main role in spanning the boundaries between institutional logics. Furthermore, organisational structures advocating decentralisation, autonomy and transparency appear to be important facilitators of the integration of diverse logics.

Originality/value. This paper contributes to the literature on hybrid organisations and social enterprises and aids practitioners in such organisations. It suggests that organisational decentralisation, autonomy and transparency facilitate the integration of multiple logics—especially if ideological congruence exists between the actors of different institutional logics. The findings indicate that ideological congruence enhances tolerance towards different approaches and increases the willingness to integrate diverse logics.
Keywords: hybrid organisations, social enterprise, institutional logics, non-profit, organisational values

**INTRODUCTION**

A central insight in contemporary traditional organisational theory is that organisations tend to take forms that are distinct, well-bounded and reproduced over time (DiMaggio & Powell, 1983), while the traditional way of organising, within organisations, is subject to great change. Today, we see numerous instances of organisations (e.g., hospitals, universities and non-profit organisations) facing institutional environments that exert pluralistic and often conflicting demands (Kraatz & Block, 2008). This has led to rising scholarly interest in the strategies and organisational models that these organisations employ, especially regarding strategies that address social and environmental problems (Jay, 2010). The demand for organisational efficiency has spread out to the non-profit sector, in which new ways of organising respond to well-known market conditions. This change stems from institutional logics’ being combined in new cross-sectorial ways not seen in organisational theory, thus creating so-called hybrids where institutional logics by definition are ‘the socially constructed, historical patterns of cultural symbols and material practices’ (Raynard & Greenwood, 2014:4).

Hybrid organisations seek to make sense of, and combine, multiple organisational forms and logics through their activities, meanings, processes and structures (Jay, 2010). These organisational forms are created by characteristics we know little about, as they deviate from the known templates for organising. Recently, scholars have begun to examine the concept and prevalence of how multiple institutional logics are embodied within organisations, and how challenges and benefits arise through the incorporation of multiple logics (Santos, Pache & Birkholz, 2015; Thornton, Ocasio & Lounsbury, 2012; Smith, 2014).
Hybrid organisations are characterised by the existence of multiple logics, and organisations embody multiple institutional logics when they find themselves between divergent fields (Besharov & Smith, 2014), or when they depend on various professional or occupational groups (Dunn & Jones, 2010). Under these conditions, treating one logic as dominant and only peripherally acknowledging others can potentially undermine long-term organisational success (Besharov & Smith, 2014).

In spite of the rising focus on examining and understanding hybrid organisational forms, organisational insights remain limited. This nascent and insufficient insight is problematic because solving complex societal problems, such as environmental sustainability and poverty alleviation, necessitates organisational compositions that draw from multiple institutional logics in synergistic and innovative ways (Raynard & Greenwood, 2014).

By looking at the conceptualisation of institutional complexity, two lines of exploration exist. The first stream of literature seeks to comprehend the strategies that the individual organisation undertakes when faced with complexity due to the presence of multiple logics (e.g., Oliver, 1991; Pache & Santos, 2010; Kraatz & Block, 2008; Greenwood, Raynard et al., 2011).

The second stream focuses on how multiple logics are reflected in hybrid organisational structures and practices that seek to understand the relationship among logics, organisations and people to highlight the nuances in these relations (Battilana & Dorado, 2010; Jarzabkowski, Smets et al., 2013; Dunn & Jones, 2010).

The objective of this paper is to look into the organisational response when managing two institutional logics—social and market logics—as these differences in logics translate into different expectations for individual constituents. This paper therefore explores the fusion of two institutional fields, the social and market fields, within the social enterprise DCS, a Christian charity organisation in Denmark. The paper also looks at how internal organisational dynamics influence the outcomes associated with hybridity, and it seeks to understand whether
multiple logics per se contradict each other or if logics can actually be flexibly combined through the use of certain procedures, capabilities or organisational structures.

Based on this, we investigate the following research questions:

*How does a hybrid organisation experience and respond to an organisational environment marked by multiple institutional logics?*

*Do institutional logics compete, contradict or conflict, or can elements of different logics complement each other and be flexibly combined?*

We use the term ‘hybrid organisation’ for organisations that combine public and private organising logics in mission-driven businesses, social enterprises (SEs), cross-sectorial collaboration and public-private partnerships of various kinds (Jay, 2013). We understand an SE as: ‘a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners’¹. This definition centres upon SEs’ being motivated by their social purposes and achieving their objectives through commercial activities (Teasdale, 2010; Jay, 2013).

**AN INTEGRATIVE APPROACH TO ORGANISATIONAL HYBRIDITY**

Many studies have sought to advocate for the hybrid form as an optimal way of achieving every individual sector’s goals: from financial returns to environmentally and socially responsible organisations, to the desired achievement of government goals through collaborations with privately held companies (Jay, 2010). Empirical research has shown several positive indications that some hybrid organisations actually manage to achieve the best of both worlds, delivering on (for example) public goods with the dynamism and efficacy of private-market

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mechanisms (Savas, 2000). Other studies are more critical and question the assumption that market-based institutions can solve these scaled-up societal problems (Jay, 2010). These critics see hybrid organisations as being dominated by a market logic and as being a representative of privatisation in disguise, and hence, they are viewed as simply another way for the market logic to organise itself (Bloomfield, 2006; Miraftab, 2004; Layzer, 2008). In between critical scholars and enthusiastic scholars is a more pragmatic approach to the hybrid nature of organisations. Despite the complex tensions that hybrids experience, they succeed by recognising that cross-sectorial engagement inevitably involves competing institutional logics that influence “the extent to which collaborations can agree on essential elements of process, structure, governance, and desired outcomes” (Jay, 2010:3).

Hybrid organisations face multiple and contradictory demands, but the way in which a hybrid may organise itself to cope with these demands differs. An SE is a good example of a hybrid organisation, as it combines democratic civil society norms, a market-oriented mind-set, commercial activity for generating revenue and the superordinate goal of achieving its social mission (Peattie & Morley, 2008; Jay, 2010). They therefore combine business and charity at their core (Battilana & Lee, 2014; Ebrahim, Battilana & Mair, 2014). However, the level of integration of the two fields varies depending on the characteristics of SEs, as described in the notions of blended hybrids and structurally differentiated hybrids (Pinch & Sunley, 2015). The former seeks to blend the processes of exploration and exploitation within the same organisational unit, achieving its social mission through the integration of (for example) beneficiaries as customers or volunteers. The latter, on the other hand, compartmentalises the processes into separate units, dividing social activities from commercial ones (Greenwood et al., 2011; Ebrahim et al., 2014). Battilana and Dorado (2010) stated that, in integrated hybrids, zero prior experience with one logic is a prerequisite for blended hybrids to remain functional, implying that the blending of logics in an existing organisation would be very difficult. Other
scholars argued that hybridisation can successfully secure endorsement from constituents and accomplish effective and satisfactory performance (Binder, 2007; Tracey, 2011; Greenwood et al., 2011). Furthermore, Smith (2014) supported and highlighted the fact that many SEs are successfully characterised by a unique blend of logics and that many non-profit organisations fit the blended model. This is in contrast to earlier contributions and institutional insights, which noted that organisations unwittingly respond to taken-for-granted practices and that the locus of contradiction generates reflectivity, indicating that managing multiple logics is all about inherited ambidextrous tendencies (Seo & Creed, 2002). In a differentiated hybrid, the structural entities interact with different constituents, creating a bigger gap in the interface between internal constituents and often resulting in a separation in the internal structure (Pinch & Sunley, 2015). However, if the hybrid’s activities are more or less perfectly integrated, structural separation may not be necessary (Battilana & Lee, 2014). However, not all hybrids need to be either integrated or differentiated across all features of hybrid organising, as is the case with a work integration social enterprise (WISE), where the commercial activities in which the enterprise engages sustain its operations exclusively (Battilana, Sngul et al., 2015).

The multiplicity of institutional logics. How does an organisation react when influential institutional actors hold contradicting views about the possible course of action? Institutional theorists argue that institutional environments provide stability and meaning to social behaviour, which shapes and constrains organisational behaviour and processes (Pache & Santos, 2010). Institutional influences are wielded in organisations through social expectations, rules, regulations and normative prescriptions (ibid.), creating a dilemma for internal alignment: Satisfying one prescription may invalidate another. These various pressures exerted by referents in a given institutional field influence consistency inside the organisation and are referred to as institutional demands. Organisational antago-
nism is created when these demands become conflicting due to operations within multiple institutional spheres, which means the organisation is subject to multiple and contradictory regulatory regimes, normative orders and/or cultural logics (Pache & Santos, 2010). This means the organisational actions are influenced by the potentially conflicting interactions between logics and structures, and because logics are culturally rooted, they are difficult to alter (Royce, 2007).

However, it is questionable that an integration of competing logics, and the practices that ratify them, would always be desirable, as a blended hybridisation of logics can lead to the mission drifting towards either logic (Battilana & Dorado, 2010). As a result of the misbalance of interests, the structure of the field suddenly becomes unpredictably fragmented, resulting in organisations’ facing a high degree of institutional complexity due to the lack of predictable institutional demands within the field and the relative hierarchy of logics (Greenwood et al., 2011:336). Recent studies of social enterprises show that these organisations do engage in multiple heterogeneous logics, each imposing different and often conflicting demands, creating problematic internal tensions over the prioritisation of sectoral goals (Doherty, Haugh & Lyon, 2014; Young & Kim, 2015). Fields do not necessarily move towards stable conditions around a dominant logic; rather, they are dominated by constituted sites of prolonged contestation in which multiple constituents impose, advance and almost stipulate different logics (Raynard & Greenwood, 2014:4; Smets, Jarzabkowski et al., 2015).

Organisational identification plays a role, too, as an organisation’s ability to weaken field-level logics depends upon the relationship between individuals and groups within an organisation (Greenwood et al., 2011). Depending on the internal representation of logics, and the intermediaries supporting these logics, the multiple isomorphic pulls in the field can be reconciled through a positive organisational identity (Battilana & Dorado, 2010), such as the use
of the social mission as a driver for strategic direction, securing optimum conditions for linking commercial revenue with the creation of social value (Doherty et al., 2014).

Recent research has analysed such organisational responses to multiple and often contrasting logics (Battilana & Dorado, 2010; Pache & Santos, 2010; Pinch & Sunley, 2015, Battilana et al., 2015). Similarly to the notion of structurally differentiated hybrids, some institutional studies have focussed on reducing tensions by keeping competing logics and the practices and people who enact them apart (e.g., Binder, 2007; Jarzabkowski, Matthiesen & Van de Ven, 2009; Dunn & Jones, 2010).

Others have suggested the need to accommodate incompatibility between logics, where goals and means are given as terms that are well suited for serving as frames of reference. These scholars then identified whether incompatibility between logics concerns goals or means (Pache & Santos, 2010; Dunn & Jones, 2010). Conflicts and disagreements over goals are particularly challenging, as they originate in values and beliefs and because they lead “organisational members to overtly recognise the incompatibility of the demands on goals, which may, in turn, jeopardise institutional support” (Pache & Santos, 2010:466). As a response, traits of ambidextrous management skills are significant contributors in integrating competing logics (Jarzabkowski et al., 2013; Battilana et al., 2015).

Accordingly, scholars have acknowledged a more fruitful potential between coexisting logics, demonstrating that an inevitable interdependence exists just waiting to be tapped into (e.g., Greenwood et al., 2011; Kraatz & Block, 2008; Jarzabkowski et al., 2013; Doherty et al., 2014). This fruitful potential, when trying to integrate competing logics, should stem from agents’ ability to simultaneously perform contradictory processes. With a few exceptions (e.g., Smets et al., 2015), organisational complexity scholars have somewhat neglected the interdependency aspect and the importance of ambidextrous ability that is present in the interplay of multiple logics. Nevertheless, an ambidextrous approach to the challenge of institu-
tional complexity depicts the phenomenon in a more nuanced and appropriate way (Greenwood et al., 2011).

METHODOLOGY
SEs provide a good example of competing logics coexisting under the same organisational roof, making them appropriate for in-depth research (Battilana & Lee, 2014). This paper presents the case of an independent Danish SE, DCS, which operates in the for-profit market of offering services and products to the government and consumers, and in the non-profit field of charity for socially and financially vulnerable citizens in Denmark (e.g., homeless people, drug addicts and people with psychological disorders). DCS offers a safety net for its beneficiaries based on a Lutheran Christian view of humanity, with the belief that every human being is unique and that everyone has a legitimate claim to respect no matter what his or her social status is. DCS controls more than 235 second-hand stores, generating millions in revenue every year. It launches projects in cooperation with external partners and other commercial activities, with the aim of generating revenue for financing its social mission. An important feature here is the notion of DCS’s competing with other retailers on regular market terms, which means DCS needs to be aware of changing conditions to continuously provide additional resources for social activities. The combination of commercial and social activities makes DCS a good example to choose for the case study of a hybrid organisation, as the organisation has to respond to the demands of non-profit charity logics, which are centred on the social mission of nursing beneficiaries, and to the demands of market logics, which are centred on commercial and business growth.

The Lutheran church is the biggest moderate Christian society in Denmark. Organisations that support the Lutheran church, such as DCS, have not formerly been known to engage in purely commercial activities. DCS receives funding from the Danish government and from charitable
individuals who support its humanitarian projects. With cutbacks in public funding, and with fewer people donating to the church, a new approach to generating money was needed to continue the humanitarian work. This case study therefore highlights the possible level of complexity when these two institutional demands are combined.

Founded by a pastor in 1912, DCS has always employed professionals from the nongovernmental organisation (NGO) sector and has received the assistance of volunteers (typically retired people), but approximately five years ago, the newly appointed head of DCS started to recruit people with business backgrounds. He was convinced that these profiles could increase sales numbers in the second-hand stores and help to develop a more efficient organisation, all of which would ultimately benefit the mission of DCS: to help people in need.

One might ask if social and market logics or if an NGO and a business background are really diametric constructs. SEs are inherently both of these things at their core—to such an extent that they are naturally intertwined. Although this discussion would be relevant and interesting for future papers, we found that in DCS, due to its long history as being driven by professionals with NGO and non-profit backgrounds, and due to the recent increase in a market focus (in a highly competitive second-hand market), the different members of DCS are strongly embedded in and manifest different institutional logics.

Research design. The research design is an exploratory case study that looks into the phenomenon of hybridity and its influence on institutional complexity. The problem of integrating different institutional logics in hybrid organisations is still not very well understood, and more exploratory studies are therefore relevant (Yin, 2003). The study is a qualitative single-case study based on semi-structured interviews, observations, informal talks and organisational documents.

The semi-structured interviews were explorative, and an interview guide was used as a guideline. Three major themes from the existing literature guided our search: 1) institutional com-
plexity, 2) institutional logics and 3) organisational ambidexterity. We conducted nine semi-structured interviews averaging 60 minutes each. In the preparation phase, we sampled respondents by strategically contacting one person on the management team, and later on, a snowball methodology was used, allowing for the gathering of suggestions from the informants about other interviewees of relevance (Yin, 2003). The questions focused on the different profiles in the organisation, the kinds of complexity the interviewees experienced, the coexistence of combinations of logics and a hybrid’s ability to be ambidextrous. The interviews were recorded and transcribed verbatim, making up 148 pages of material for further analysis.

Furthermore, one of the authors carried out 35 hours of observations over the course of four days. She visited the main offices in both Aarhus and Copenhagen as well as a second-hand store. Through non-participant observations, we wished to discover what went on when constituents carrying different logics engaged in common projects and shared work. We thereby strengthened the research study by maximising its validity and reliability. The first author experienced what really happened in the interaction of logics and people rather than solely depending on the respondents. She observed daily practices in which the constituents engaged in informal talk and joint work tasks, but she maintained a peripheral membership role in the setting (Adler & Adler, 1987).

Coding procedure. To create the best analytical foundation, interviews and field notes were subjected to a round of meaning coding and condensation with the purpose of creating a proper analytical toolkit in which to include the most relevant content from the empirical data (Kvale, 2007). We did manual coding, as the data were a manageable size. Coding manually gave a feeling of ownership and control over the work, as the connection between the smaller pieces of strips and the bigger puzzle was made clearer when it came to modelling with the data. We coded and triangulated interviews, observations (field notes) and documents.
First, we performed theory-driven coding of the data, where we connected the data with concepts from the included literature, such as institutional logics, institutional complexity and ambidexterity. We did this to verify the validity of the notions of the existing literature, such as where different institutional logics conflicted. When we found what seemed to be a symbiosis between different institutional logics, we proceeded to find explanations for this. We realised that the extant hybridity literature did not quite explain the case we were studying, and we therefore searched for other theories that could explain DCS’s successful experience. In this round of coding, we did not have a predetermined theoretical foundation on which to deduce the emergent topics (Jay, 2010). Our emergent findings were subsequently related to other theoretical areas, which could explain hybrid organising. For example, we coded for communication forms, organisational identification and organisation and boundary spanning.

**FINDINGS**

In DCS, there were two logics: Five people had a predominantly social logic, and four had a predominantly market logic. Within the social logic were the volunteers, the social workers and those trained in the humanitarian field. This group prioritised the social welfare services that DCS provides, although it also acknowledged the advantage of the supporting commercial activities. The goal of the social logic was to help the most disadvantaged people through care and societal inclusion. Among employees with a market logic, a much greater focus was placed on revenue generating and commercial activities, and these employees possessed degrees such as a Master of Business Administration (MBA) or a Master’s degree in Architecture and had been employed previously at for-profit companies. They undertook activities such as consultancies, marketing, co-operation agreements and direct sales. This part of the organisation was driven more by business or entrepreneurial goals, with efficiency and performance as the motivating forces and an emphasis on reinvesting as much revenue as possible. The two branches did not operate totally independently, as some activities were intercon-
nected, which meant that no distinct logic was visible. Most of the actors actually subscribed to both logics, making them able to relate to both social and market goals as symbiotically combined.

*Conflicting institutional logics.* DCS’s organisational structure was very compartmentalised and decentralised, resulting in a quite complex structure with many different entities. Due to the very mixed group of people, the employees were naturally incentivised differently depending on the activities for which they were responsible. According to the interviewees, tasks were divided between actors, but there was a high degree of the use of one another’s competences and the need to step into each other’s domains once in a while. This was also seen during the observations. This shows that there is some, albeit small, jurisdictional overlap between logics, as each logic has acknowledged authority over a distinct domain of activities, actors and practices, with the actors in DCS protecting their own institutional infrastructure by reproducing either the social or market prescriptions. Nevertheless, the consultants did interfere with the social work, thereby creating a minor overlap.

According to the head of development (who has an MBA), in a hybrid organisation, it is crucial to ‘organise in the right way (...) in order to be able to exploit the advantages given to you when organising like this. With this said, it is a fine line where a good, internal synergy is very important to avoid confusion [among employees]. It is very important to be aware of your own capabilities in order to handle this diversity’. This was very important because contestation over different logics at times created a tumultuous internal environment, resulting in debates and sometimes conflicts over the social mission, the general organisational structure and the way in which the organisation was led. At DCS, this frustration was dealt with by individually creating future goals in different departments, which was possible due to their high degree of autonomy and self-management. On the other hand, this induced an even bigger feeling of separation, indicating that tensions did arise within the organisation but that the
conflicting demands were answered to by, for example, using the balancing approach (Oliver, 1991). In this approach, the conflicting interests between parties lead to partial satisfaction and a recognition of the decisions that have been made: ‘It is in DCS as in many other organisations that arguments carry weight (…) and of course I have experienced standing up for something that didn’t go through (…) for example how we handle our economy (…) because someone in X-Ville is very good at selling products and is keeping their money in their own account (…) then we can be in Copenhagen having liquidity problems (…) but it is a balance – if we transcend and become too top down, then we lose the energy’ (volunteer and president of the national committee). This approach resulted in not letting the tensions escalate into an extensive conflict because it could result in dissatisfaction among constituents. Field-level actors recognised the benefits of exploiting potential synergies in dealing with different logic prescriptions, which is why they accepted that only some of their demands would be met, as they all acknowledged the sacrifices that the dual mission demands (Doherty et al., 2014).

Complementary logics. Among the interviewees, there was no real confusion about the organisation’s overall goal, and they all agreed that the end justifies the means, making the commercial activities support the social mission in a positive and constructive way. Synergies existed between the constituents, as expressed by a recycling consultant who was previously an architect and business owner: ‘We engage in each other’s challenges, and you do not hesitate to grab the phone and offer your help (…), no matter if you are an employee or a leader’ because “… when they talk about the DCS spirit (…) we have an inherent respect for each other and each other’s work. We may not understand what each of us is doing (…) but they do not have a negative attitude towards the new (…) they think it’s exciting’. Despite the fact that they were championing different logics, the interviewees showed mutual respect and accommodation towards one another. The normative foundation of the organisation also seemed to create and sustain this acceptance, as the same recycling consultant noted: ‘(…) it is the view
on humanity (...) from the entire organisation of DCS that everyone is equal to God (...) it is
the appreciative approach that (...) we all have an intrinsic goal to reach the weak people
through whatever methods are necessary as long as it is kept in the good spirit (...) the differ-
etent logics do clearly complement each other in this way for DCS, no doubt about that’. This
was further supported by the head of development, who explained how to grasp this intangi-
ble task on a more strategic level: ‘... it is a great communicational task—to inform the entire
organisation about prioritisations—but with this being a Christian organisation, where you
appeal to the good in what we do, this becomes a huge advantage—that the means are part of
the goal—and through these prioritisations we reach most beneficiaries’. The creation of
social value was the beating heart of DCS, and here, it was represented in a narrative about
meeting the expectations of different stakeholder groups (Doherty et al., 2014).

Assembled hybrid. An organisation consultant acknowledged the apparent problematic nature
of combining logics: ‘In principle, yes [the idea of incompatible logics] but in practice no (...) We
have some very professional people who know exactly what to do to motivate the volun-
teers, whereas the leaders of the social work know how to run [their departments](...) If it [the
combination of logics] is a problem (...) I do not experience it’. Skilled employees were capa-
bale of co-operating despite the prejudiced attitudes they held towards one another. The
logics brought together in DCS were capable of being combined and reconfigured to create
DCS’s hybrid form, making the logics relatively compatible, as the employees approached
them as symbiotic and complementary instead of contrasting. This implies that the logics (in
terms of contrasting roles, skills and competencies, performance criteria, practices, etc.) con-
trasted less in DCS than Greenwood et al. (2011) suggested they would. According to a DCS
pastor who worked previously for a multinational company, one reason for this could be that
the organisation did not have any overall protocols for measuring performance: ‘No, she
doesn’t measure me. Isn’t it funny? (...) no one sets up performance measurements—I devel-
op our own measurements. I make my own 2015 goals’. The quality of the work done in the dispersed departments was seldom controlled, thus providing high levels of autonomy along with the need for self-control and self-discipline. In relation to the less contrasting roles and practices, some work was required internally to achieve the acceptance of the different logics and profiles, according to the head of recycling and innovation: ‘... there was a great resistance [internally] to hire me instead of a social worker – both from the management’s side as well as in the house (...) But now I have gotten to know people and proven my worth, and they see what I am doing is exciting and has perspective. But yes, it has been an uphill battle at times’. We identified a physical split within the department between the administrative group and the socially oriented group (volunteers, social workers, etc.), where the social group perceived themselves as being the true DCS. The split did not cause devastating interpersonal difficulties, but it was an internal problem, which they jointly tried to resolve by creating greater cohesion between the groups, as it did cause some issues regarding the settlement of logics. According to another recycling consultant, who was previously a management consultant: ‘I personally think it is one of the strengths that we are so diverse. I certainly think that the combination of a very commercial background, and in this case, my background of an extensive work experience at the front line, is valuable. I see it as strengths complementing each other, absolutely’. An apparently equal prioritisation of logics was a significant contributor to the reduction of the experience of institutional complexity (cf. Raynard & Greenwood, 2014). This equal prioritisation of logics seemed to be linked to a high degree of autonomy and purpose-oriented discipline, which, again, seemed to be somewhat apparent in DCS.

Internal structure with strong representatives. The structure within DCS, despite its compartmentalisation, has slowly evolved from unspecified and confusing into a clearer and more productive structure, which has resulted in a less complex institutional environment or at least
a more settled environment. This development, among other things, was, as a volunteer expressed, due to the strong personality of his or her new leader: ‘(...) earlier DCS lived somewhat anonymously. But that is also because of the tremendous difference in the personalities of the leader we had before and the person we have now’. The head of recycling and innovation pointed out that having a strong and noticeable leader was crucial when it came to reducing complexity: ‘(...) when he became the leader, he met a huge deficit (...) but with all his business experience he really worked like a horse and initiated loads of revenue generating initiatives (...) which they [people inside the organisation] have felt very ambivalent about (...) They know they can’t avoid it but they are still afraid that it [the changes] will shake them to their core’. Although they worried about the unknown, as they started to see results and realise that the overall social mission was not threatened, they came to terms with this new way of thinking and accepted that the initiatives were necessary for the organisation to survive. Therefore, despite the complexity that the conspicuous leader brought into the organisation, it was well received over time without causing disruptive internal conflicts and disagreements, as the necessity of change outweighed the unknown.

Regarding the common attitude towards the mixture of social mission and commercial activities, the organisation consultant mentioned the cohesion between the two: ‘Internally it is said that the 231 second-hand stores are the ones bringing home the bacon and the social work is what constructs identity’. The head of development similarly commented as follows: “The stores are as a rule created to make money but it is a social event’. Disagreements over goals cause a higher level of institutional complexity (Pache & Santos, 2010), but in relation to this case study, no confusion or disagreement took place about the organisational goal: to help as many beneficiaries as possible through closeness, warmth and care and through the use of whatever means were necessary, as long as they were practiced in a good spirit.
Disputes over the means for achieving the social mission are considered to be a great contributor to institutional complexity (Dunn & Jones, 2010). However, in our case, most of the interviewees had the opinion that the resources were fairly distributed, with a high degree of transparency, as the recycling consultant noted: ‘No doubt that someone has a constant eye on our expenses, what we spend, where and why (...) then of course we are there to explain why we do what we do (...) I can’t recall anyone being mad or complaining about a decision’; the consultant also said, ‘As long as we can justify and defend why it is a good idea [to allocate resources to that], and what good it does for DCS, then it doesn’t create any problems’.

The overall impression of the interviews was that the environment was characterised by a high degree of autonomy, social responsibility, freedom of action and a feeling of common contribution. All of these qualities lessened confusion and frustration and led to the achievement of higher goals through good communication within the different departments.

In conclusion, DCS embedded inherently compatible logics. The disagreements experienced internally were handled through good argumentation, the fact that the employees leaned more towards autonomous behaviour and the use of a common understanding of DCS’s ideological mission as a ‘light house’. Despite the fact that individual systems of meaning and normative understandings led to different expectations within DCS, the employees possessed high levels of dedication, which resulted in a less complex institutional environment. Field-level actors recognised the benefits of exploiting potential synergies created in the interface of the different logics. All of these elements imply that, in relation to Raynard and Greenwood’s (2014) notion of institutional complexity, DCS was arranged as an assembled hybrid, as its apparent organisational response to complexity was aligned.

Overt contestation between organisational members was minimal, as they aimed to leverage the potential benefits and synergies of their combined practices. This is in line with Dunn and Jones (2010:127), who claimed that, ‘When the philosophies, normative understandings, and
values of logics complement each other or cohere, professionals can work with institutional pluralism even when there may be tensions and encroachments in jurisdictional domains’.

So what then can explain the phenomenon of an organisation’s combining charity and business forms at its core? Why was the expected complexity lower than anticipated? As this case seemed to be a best-practice example, the organisational traits characterising this organisation will be examined in the second part of the analysis.

**Organising hybrid organisations: Decentralisation, ideological congruence and communication**

When organising as a hybrid, the organisation embraces multiple organisational goals that often conflict (Kortmann, 2011), or so it seems in most contemporary studies of hybrid organisations. The organisation studied in this paper showed somewhat divergent characteristics despite its hybrid nature. How did DCS manage the existence and blending of multiple logics? We found indications in some of the strategies DCS employed, which in turn were reflected in its structures and practices.

Analysing parts of the organisational structure provided a deeper understanding of how different subunits were interrelated. To analyse the structural configurations of the case in greater detail, we focussed on five elements: decentralisation, ambidexterity, ideological congruence, internal representation and internal communication. The influence of all these elements will be analysed as part of the hybrid model.

*Decentralisation.* One of the core functions of any organisation is creating appropriate structures to provide stability and institutional support to internal elements such as routines and values (Andrews, Boyne et al., 2009). Advocates of centralised decision-making argue that it leads to better performance because it facilitates faster decision-making, clarifies goals and direction and mitigates possible internal conflicts that could be damaging (Andrews et al.,
2009; Imperatori & Ruta, 2015). Decentralised organisations are associated with organic structures and low bureaucracy, which allow ideas and viewpoints to emerge freely from different individuals and groups, thereby creating a participative environment in which actors can bring their perspectives to the table (Kortmann, 2011). DCS had a decentralised decision-making process, and the DCS pastor described its participative environment as follows: “We are by far the biggest department in Denmark – we are twice as big as the second largest – because we have a certain structure where everything comes together (...) This gives us a drive, which the others do not have. I have a group consisting of my financial manager and my manager for the social activities (...) Then I have a big group of employees (...) and we meet every other Thursday for a very strategic meeting, where everyone is informed about where we are heading and then we have discussions about that. So I certainly promote a high degree of autonomy”. Although this method of managing a department can be time intensive, the respondents mentioned that it enhanced their engagement, the quality and quantity of their ideas and the discipline of employees. Even though this entailed more negotiations and iterations along the way, the organisation achieved extensive integration of different perspectives. It thus prevented potential issues from becoming internal conflicts and created more strategically sustainable solutions. As the recycling consultant pointed out, “The autonomy is an advantage, and it obviously demands responsibility and involvement from me, but that is exactly what fosters the involvement (...), but I also think that it characterises the volunteers, as they are people who want to do things independently”. The autonomy and responsibility motivated the employees to deliver more for the sake of the organisation, and the freedom to handle their own tasks made them feel more important and appreciated than they would have felt if they were forced to follow certain protocols and constantly report back to superiors. Indeed, this autonomous structure created a complex environment in which transparency could be challenged but many cross-sectorial partnerships were allowed to exist within the organisa-
tion, thereby enhancing the utilisation of individual knowledge. The interaction between sectors created an ambidextrous environment, as the sense of responsibility prompted employees to seek out the people with the right knowledge and skills when they encountered problems they could not solve single-handedly. The interviewees agreed that knowledge sharing led to a free and useful flow of knowledge where it was needed within the departments. An internal balance may naturally evolve through the interactions between the constituent groups, with actors acknowledging what Kraatz and Block (2008) characterise as a mutual dependence in which they let institutionalisation become a dynamic response in which “it becomes the vehicle through which these groups pursue their aspirations and their ideals” (Kraatz & Block, 2008:20).

Moreover, managers in decentralised organisations enable them to more rapidly react to changes in the environment and more easily implement decisions about those changes. Non-routine tasks within complex environments are also performed more effectively in such organisation, as the managers can rapidly adapt due to the low degree of control and formality in the procedures (Andrews et al., 2009). DCS, for example, recently received the 2016 national subscription project, which was of high priority because it had the potential to raise large amounts of money for the beneficiaries. It was a non-routine task that required a great amount of orchestration and coordination. This was considered problematic because DCS did not have the necessary resources to carry out a project like that internally, but the managers made it work through a joint effort by prioritising and stretching what they had.

Decentralisation and high levels of autonomy in operations management allowed employees to make decisions and be more effective, flexible and solution-oriented. According to the recycling consultant, “That is exactly why there is a difference in how you approach them. If you come barking in saying now we are doing this (…) then you lose them. Instead, you go
out and declare that it would be cool to try this and this and this – consider it for a while (...) simply to plant some seeds to make sure everyone is on the same path all the time”.

Hybridity and the influence of ambidexterity. The interviewees wished to utilise the varied insights, skills and visions of people with different backgrounds and accept that the fastest way to achieve the overall goal was not to be a bulldozer and undermine constituents’ inputs but instead, according to the head of development, accept “the complexity (...) that there are other actors with interests (...) and that circling around once in a while may even bring you there faster”. The resulting open and appreciative syntax may have led to the low degree of internal dispute.

Without directly expressing it, employees and volunteers at DCS showed a high degree of ambidextrous behaviour, including contextual ambidexterity, which is “the behavioural capacity to simultaneously demonstrate alignment and adaptability” (Kortmann, 2011:19), and individual ambidexterity, through which individuals show “capabilities to dynamically switch between paradoxical activities in the best possible way” (Kortmann, 2011:24).

The recycling consultant, who was previously a management consultant, focussed on this contextual ambidexterity in relation to DCS: “I actually think [the different logics] complement each other really well but just as far as you go one way, you have to go just as far the other (...) You have to strengthen your capabilities both ways, because, when combined, you cannot be very good at one thing and bad at the other”. Here, DCS was trying to balance the different components in search of idiosyncratic results. When investing in one part of the organisation, it is important to invest in the other parts as well.

To obtain the benefits of ambidexterity, flexible senior managers are required, as they are expected to be capable of handling completely different and inconsistent organisational configurations. One way to achieve contextual ambidexterity is to use the right organisational identities to help you balance their problematic nature instead of resolving complexity (Kort-
mann, 2011). The DCS pastor was doing this by “(...) constantly looking for new ways to do things more cheaply and more efficiently, and to create resources to support this. I have to manage the social work as well, which I am basically not very good at. That requires me to have skilled people around me, who are particularly good at that, to secure the standard of the social work too”.

Ideological congruence in an identity-based organisation. A reason for the compatibility of charity and business logics within DCS can be found in the organisation’s identity and ideological conviction. Throughout the interviews, DCS’s ideology stood out the most. According to Schein (1984), a consensus on ideology and religion provides organisation members with a tool to respond to incidents and give them meaning, thereby avoiding some degree of internal anxiety when dealing with the uncontrollable and unfamiliar. As the recycling consultant stated, “(...) It is the view of human nature within DCS - that everyone is equal to God (...) We all have a goal of reaching the weakest through the necessary methods, as long as it is held in the right spirit”. DCS was founded on the values of Christianity, so most of the reasoning for projects and priorities stemmed from this ideology. DCS was aware that its beneficiaries would be helped by its efforts no matter how the resources were allocated.

The managers felt that the quality of DCS’s work was taken for granted, and everything the organisation did stemmed from this conviction. According to the head of development, “(...) it is our role as organisation to respect the volunteers who work for us and the people giving money to us, and to constantly highlight that we want to be welfare-improving and not welfare-sustaining (...) if we preserve something that would just be saved somewhere else, then we do not carry out our job properly”. That implies that DCS will assure quality, avoid selling out at any price, vouch for every task it engages in, and improve its organisational legitimacy. This has left an imprint on the group, and it has become an almost evolutionary...
process that is difficult to change because the employees and volunteers of DCS have thoroughly learned and inherited it.

*Internal representation.* Organisations do differ in the extent to which they experience competing institutional demands internally and demands that are internally represented. Internal representation is the outcome of hiring practices that accidentally or deliberately bring together organisation members (such as professional staff members, managers, board members or regular volunteers) who adhere to various normative and cognitive templates (Pache & Santos, 2010). This means that the need for socialisation is lower when an organisation is aware of the profiles of the workers it takes on board. This is a great advantage, as it is very hard to socialise people into a desired set of values and beliefs (ibid.). DCS possesses heavily socialised insiders and screens its applicants to make sure that they uphold a Christian view of life, especially at the strategic level. According to a volunteer who is also the president of the national committee, “(...)*if you are in a management position, then you can demand membership of the Danish Church, as it can be decisive in the way our organisation is perceived internally (...)*so just as soon as you are in a leading position or a management assistant, then it becomes of great importance to the organisation, and then you are allowed to screen [applicants].”

Maintaining a strategic focus on core values may explain the low perception of subgroups internally, as this prevented an intractable identity conflict between constituents – at least at an ideological level. It confirms previous studies that suggest that having a strong leader who promotes certain values and beliefs is crucial in bringing together carriers of different logics to form an integrated group that is committed to the same superordinate goal – the hybrid goal of the organisation (Battilana & Dorado, 2010; Imperatori & Ruta, 2015). One of the managers promoted Christian values by holding morning assemblies in which employees sang psalms and read from the Bible. This kind of behaviour was easier because institutional com-
Compatibility was rooted in ideology, as constituents mutually recognized their alignment with the core system of values. Due to this ideological alignment, the multiple logics in DCS were neither seen as incompatible nor absolute; rather, they were a means to an end. Instead of one logic precluding adherence to another, complementary logics achieved the superordinate social goal. Pache and Santos (2010) explained conflicting interactions as disputes over goals. Although there were some disagreements about resource allocation in DCS, it reached its overall ideological goal regardless, which made disputes over goals somewhat meaningless. Thus, the means by which DCS successfully blended its logics could be used to support Battilana and Dorado’s (2010) findings, as DCS’s continuous construction of a “strong”, “positive” and “unified” organisational identity could (on a functional level) reconcile and outweigh the field’s contradictory pulls. Hence, to sustain a compatible environment within a hybrid, an internal ideological alignment of beliefs and values creates a stable foundation. This makes the usually complex hybrid environment less complex, as mutual grounds for cooperation and understanding are present. Tracey and Phillips (2016) also highlighted the impact of ideological alignment and a strong organisational identity. They studied a social enterprise in England that was stigmatised as a consequence of its work with a group of migrants. Rather than distancing itself from the group of migrants, the organisation sought to instil a sense of organisational value-based pride in its members (Tracey & Phillips, 2016). Although our paper is not about reactions to external stigmatisation, it does indicate that organisational identity and shared ideology play important roles in managing social enterprises.

Internal communication and knowledge sharing. Even though Christian ideology was heavily represented within DCS, a great deal of communication was still required to create a coherent organisation and make every action and decision explicit to the constituents, many of whom are at the outskirts of the organisation. This required an internal representation of people capable of both talking in the language of strategy and making decisions that can be understood.
at the operational level. As the head of development noted, “(...) If it gets problematic then it’s typically because we are not talking about the same things. If I say it’s necessary to do this and this in order for us to raise more money and someone finds the decision unethical (...) and if we do not listen to each other and find a common path (...) then it can’t be done. It’s important for me to be receptive towards the things different people find important. Based on the values we work with, we all accept some fundamental principles of who we are trying to help”. Managers had an internal awareness and acknowledged the importance of including different levels of constituents, as the contributions these constituents made were crucial to DCS’s functioning. This is in line with the findings of Battilana et al. (2015), who found that some hybrid organisations created negotiation spaces where members of different groups could discuss the trade-offs that they faced. The example supports the notion that good internal communication is important when an organisation wants to build up employee engagement and improve performance (Carlile, 2002). Communication across functional boundaries is especially hard given the challenging nature of knowledge in practice (Carlile, 2002), and cross-boundary coordination and knowledge exchange are difficult in volatile workplaces like hybrids (Kellogg, Orlikowski & Yates, 2006). Managing knowledge across boundaries was critically important to DCS due to the close collaboration between sectors. An accurate and extensive cross-boundary communication between sender and receiver is a tool for solving many information-processing problems and avoiding (for example) friendly fire in combat (Carlile, 2002), as it makes people feel informed and included. The DCS pastor noted, “I do try to help my colleagues in specific matters [where they lack the needed expertise] but I a somewhat limited in what I can do it (...) an example could be communication materials, fundraising, new ideas for social work... and they do receive it very well”. These interviewees acted as boundary spanners, as they tried to translate their knowledge into something that people elsewhere in the organisation would find tangible and understandable. Furthermore,
they tried to effectively transform knowledge to deal with differences, challenges and novelty, particularly when certain knowledge and skills are insufficient, as illustrated by the head of recycling and innovation: “Of course we share knowledge, because I too encounter situations in the stores (...) which I am incapable of handling (...) then I have to go to my colleagues who have the needed knowledge... In certain situations I lack the needed capabilities so I must draw on their competences regarding these problems”.

Due to a high degree of knowledge sharing, clear roles and sagacious use of people’s skills and competencies, DCS has become a dynamic organisation where sectoral differences and basic assumptions are symbiotic. Decentralisation, ambidexterity, internal representation, transparency through communication and knowledge sharing offer explanations of DCS’s hybrid reality. However, its strong ideological alignment of beliefs and values has created a stable foundation with mutual grounds for cooperation and understanding, thereby reducing the usual complexity of the hybrid environment.

DISCUSSION AND CONCLUSIONS

Multiple logics characterise the nature of organisations that are hybrids of divergent fields (Besharov & Smith, 2014). Thus far, the literature on hybrid organisations has mainly focussed on tensions and complexity (by keeping competing logics apart) and the practices and people that enact them. In the present study, we have contributed to the research regarding the complementary nature of logics within hybrids. We found that the approach of our case organisation (DCS) was not an approach of complexity reduction and separation; rather, it exhibits clear signs of Smith’s (2014) notion that challenges and benefits arise through the incorporation of multiple logics, which makes DCS a successful blended hybrid (Pinch & Sunley, 2015). Savas (2000) showed how a hybrid can successfully navigate a complex environment by acknowledging the strategic importance of knowledge sharing and the appropriate
utilisation of different capabilities. In our study, ideological congruence turned out to be a crucial resource that DCS used to maintain the compatibility of different logics.

This case shows that elements of different logics can be compatible and flexibly combined, thereby achieving a symbiosis between logics that would normally compete and create conflict. By arranging itself as an assembled hybrid to obtain a structural fit that meets the demands of its operational environment, the organisation has an aligned complexity in which the logics at play are inherently compatible. DCS responded to the complex environment by dealing with some degree of jurisdictional overlap and unsettled prioritisations in the field, but overt contestation between constituents was minimal. The multiple isomorphic pulls DCS faced in the field show that reconciliation through a positive organisational identity can reduce complexity and contrasting institutional demands.

Our study set out to investigate whether multiple logics can actually be flexibly combined through the utilisation of certain procedures, capabilities or organisational structures. We believe they can. DCS responded to the complex environment by encouraging high degrees of autonomy, social responsibility and freedom of action as well as a feeling of common contribution – which moves the confusion and frustration aside so that the social mission can be achieved through good communication. The ambidextrous skills of DCS’s leaders also seemed to contribute to its success, as broad knowledge seemed to function as a facilitator in handling the multiple and contradictory demands that DCS was exposed to.

There are some practical implications to this study. Members of other social enterprises may apply some of the same techniques as DCS. Decentralisation and autonomy are structural levers that can be applied to create a more flexible and accommodating work structure. Focus on communication, and especially on emphasizing explanations when communicating with colleagues from different backgrounds or logics, seems to diminish conflicts between logics.
Finally, some SEs may find it useful to nurture and emphasise the values and ideologies that their members have in common instead of focussing on the differences.

This study has some limitations in terms of generalisability because it examines a single case. It gives insight into the interaction between different institutional logics in one social enterprise, though findings from other types of hybrid organisations or social enterprises may differ. Given that the organisation in this study has a strong foundation in Denmark and solid roots in a Lutheran Christian mind-set, it may be more homogenous and less complex than other social enterprises or hybrid organisations. Future studies may research either similar organisations to confirm generalisability or different types of social enterprises and hybrids to understand whether decentralisation, autonomy, transparency and ideological congruence play a role in these settings as well.

Hybridity is still a new phenomenon within organisational theory, and research on the topic continues to present new challenges for organisations. Future research should study further cases of hybrid organisations to gain more insight into their conditions, dynamics and interactions and to reveal how some hybrids utilise complexity in a constructive and fruitful way.
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