

ORGANIZATIONAL HYBRIDITY

RESEARCH IN THE SOCIOLOGY OF ORGANIZATIONS

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ORGANIZATIONAL HYBRIDITY: PERSPECTIVES, PROCESSES, PROMISES

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INVESTOR IN PEOPLE

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INTRODUCTION

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CHAPTER 1

HETEROGENEITY IN ORGANIZATIONAL HYBRIDITY: A CONFIGURATIONAL, SITUATED, AND DYNAMIC APPROACH

Marya L. Besharov and Bjoern C. Mitzinneck

ABSTRACT

As complex, intractable social problems continue to intensify, organizations increasingly respond with novel approaches that bridge multiple institutional spheres and combine forms, identities, and logics that would conventionally not go together, creating hybridity. Scholarly research on this phenomenon has expanded in tandem, raising questions about how the concept of organizational hybridity can maintain analytical clarity while accommodating a diverse range of empirical manifestations. Reviewing and integrating extant literature, the authors argue that to achieve both analytical rigor and real-world relevance, research must account for variation in how hybridity is organizationally configured, temporally situated, and institutionally embedded. The authors develop a framework that captures this heterogeneity and discuss three key implications for hybridity research: drawing on multiple theoretical lenses, examining varied empirical contexts, and adopting multi-level and dynamic perspectives.

Keywords: Hybridity; institutional logics; organizational identity; categories; paradox; heterogeneity

INTRODUCTION

An ever more closely connected world and complex societal problems challenge conventional organizing practices (George et al., 2016). Issues such as climate change and pressing economic inequality require collaboration between diverse stakeholders to develop effective responses (Montgomery, Dacin, & Dacin, 2012; Wijen & Ansari, 2007). They further necessitate transformation at multiple levels, from shifts in individual consumption patterns to systemic changes in transitioning industries (Ferraro, Etzion, & Gehman, 2015; van Wijk, Zietsma, Dorado, de Bakker, & Martí, 2019). In response, organizations increasingly straddle multiple institutional spheres and combine forms, identities, and logics that would conventionally not go together, creating hybridity (Battilana, Besharov, & Mitzinneck, 2017). Renewable energy cooperatives blend market, environmental, and community logics (Huybrechts & Haugh, 2018; Mitzinneck & Besharov, 2019), public–private partnerships span state and market logics (Hoffman, Badiane, & Haigh, 2012; Jay, 2013), and benefit corporations (Gehman & Grimes, 2017), microfinance organizations (Battilana & Dorado, 2010; Cobb, Wry, & Zhao, 2016; Zhao & Wry, 2016), and social enterprises (Battilana & Lee, 2014; Smith & Besharov, 2019) bring together social welfare and commercial logics, to name but a few examples.

As hybridity becomes more widespread and varied across the contemporary organizational landscape, scholarly research on this phenomenon is expanding and evolving as well (Mitzinneck & Greco, forthcoming). Studies draw on varied theoretical lenses, including early work in transaction cost economics (e.g., Williamson, 1985, 1991, 1996), network forms (e.g., Podolny & Page, 1998; Powell, 1990), and organizational identity (e.g., Albert & Whetten, 1985; Foreman & Whetten, 2002; Glynn, 2000), and more recent scholarship on institutional logics (Battilana & Dorado, 2010; Thornton, Ocasio, & Lounsbury, 2012), organizational forms (Battilana & Lee, 2014; Tracey, Phillips, & Jarvis, 2011), and social categories (e.g., Wry, Lounsbury, & Jennings, 2014). Organizational hybridity research also covers a widening array of empirical contexts. Although recent reviews characterize social enterprises as the ideal typical hybrid (Battilana & Lee, 2014), studies recognize hybridity in settings ranging from manufacturing (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011) and professional or financial services (Smets, Jarzabkowski, Burke, & Spee, 2015; Smets, Morris, & Greenwood, 2012) to higher education (Albert & Whetten, 1985), cooperatives (Foreman & Whetten, 2002), health care (Reay & Hinings, 2009), the arts (Glynn, 2000), and the non-profit sector more generally (Skelcher & Smith, 2015). Indeed, research on hybridity has reached the point that skeptics might question the concept's analytical value, as a multitude of organizations can be characterized as hybrid.

In this introductory chapter, we take stock of recent developments in the literature and explore how the concept of organizational hybridity can remain analytically useful while accommodating a diverse range of empirical manifestations. Our central argument is that to achieve both analytical rigor and real-world relevance, research must account for variation in how hybridity is organizationally configured, temporally situated, and institutionally embedded. The first section of

the chapter develops a framework that captures these aspects of heterogeneity and explains their relevance for understanding the nature and consequences of organizational hybridity. The second section considers the implications for how scholars study hybridity and highlights three key approaches: drawing on multiple theoretical lenses, examining varied empirical contexts, and adopting multi-level, dynamic perspectives. We show how the chapters in this volume exemplify these approaches, contributing to a research agenda for unpacking hybrid heterogeneity.

HETEROGENEITY OF HYBRIDITY

Early research on hybridity tended to treat it as binary and somewhat ephemeral, characterizing organizations as either hybrid or not (e.g., [Albert & Whetten, 1985](#)) and treating hybridity as a phase through which organizations passed (e.g., [Haveman & Rao, 1997](#)). As research on hybridity evolved, however, scholars developed more nuanced conceptions. Recent studies suggest multiple dimensions along which the configuration of organizational hybridity can vary (e.g., [Battilana et al., 2017](#); [Besharov & Smith, 2014](#)). Studies have also started to explore more varied temporal and contextual patterns, showing how organizational hybridity can persist yet evolve over time (e.g., [Dalpiaz, Rindova, & Ravasi, 2016](#); [Ramus, Vaccaro, & Brusoni, 2017](#); [Smith & Besharov, 2019](#); [Teelken, 2015](#)) and how it both shapes and is shaped by the institutional environment (e.g., [Litrico & Besharov, 2019](#); [Reay & Hinings, 2009](#); [Wry & Zhao, 2018](#); [Zhao & Wry, 2016](#)). In this section, we develop a framework for capturing this heterogeneity and understanding its implications. [Fig. 1.1](#) provides a summary.

Variation in Hybrid Configurations

Accounting for the heterogeneous nature of organizational hybridity requires considering multiple dimensions along which hybrid configurations vary. A first dimension of variation concerns the compatibility of a hybrid's constituent elements (see [Besharov & Smith, 2014](#); [Raynard, 2016](#)). That is, to what extent do they entail consistent versus contradictory cognitions and actions? Initial conceptualizations of compatibility treated it as static, yet more recent work shows how this dimension may vary over time (e.g., [Ramus et al., 2017](#)). Moreover, even at a single point in time the same elements may be both compatible and incompatible. This possibility is evident in [Smith and Besharov \(2019\)](#) study of Digital Divide Data (DDD), a social enterprise that seeks to provide low-income youth a path out of poverty through employment in an IT services business. Pursuing DDD's social mission through a business provided more useful work experience for target beneficiaries, indicating compatibility, yet it also created higher training costs for the business, creating incompatibility.

In addition to varying in compatibility, organizational hybridity varies in "centrality," defined as the extent to which constituent elements are regarded as equally important versus one element being dominant with the other(s) playing a peripheral role ([Besharov & Smith, 2014](#)). As with compatibility, scholars initially described

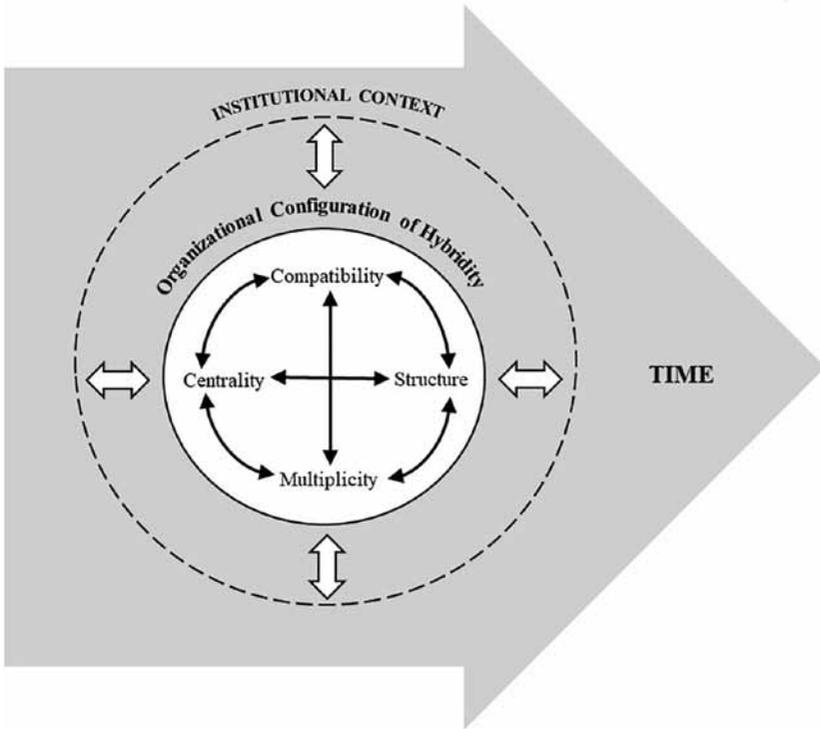


Fig. 1.1. A Configurational, Situated, and Dynamic Framework of Organizational Hybridity.

centrality in relatively static terms, but recent research considers how it may vary over time (e.g., [Ramus et al., 2017](#)).

Furthermore, there is variation in the number of constituent elements included in hybrid arrangements. As past reviews of hybridity research have noted ([Battilana et al., 2017](#)), most studies tend to focus on hybridity involving two constituent elements, typically a market or commercial element combined with some “other” element that is at least distinct from, if not at odds with, the market. This market-other dichotomy is evident in social enterprises ([Battilana & Lee, 2014](#)), the commercialization of non-profits ([Cooney, 2006](#)) and public sector reform ([Fossestøl, Breit, Andreassen, & Klemsdal, 2015](#); [Waring, 2015](#)). Yet, hybridity can also bring together three or more conventionally distinct elements, as when community, religious, professional, and/or social and environmental logics are combined with a market or commercial logic (e.g., [Capellaro, Tracey, & Greenwood, 2020](#); [Greenwood, Díaz, Li, & Lorente, 2010](#); [Mitzinneck & Besharov, 2019](#)).

A fourth dimension of variation involves how the constituent elements of hybridity are structured. Much extant research has distinguished between integrated and differentiated hybrid structures ([Albert & Whetten, 1985](#); [Battilana](#)

et al., 2017; Besharov, Smith, & Darabi, 2019; Greenwood et al., 2011). In the former, individuals and sub-groups, as well as organizational practices and divisions, combine and blend the elements of hybridity, whereas in the latter they carry and enact just one element or another (see Ebrahim, Battilana, & Mair, 2014 for an illustration of both types). Recent research notes that organizations can also combine integrated and differentiated structures. For example, Smith and Besharov (2019) describe how DDD exhibited integration in that leaders adopted cognitive frames that combined social welfare and commercial orientations, and differentiation through distinct organizational goals, metrics, and roles for the social welfare and commercial sides of its mission. Indeed, research suggests organizations may relatively flexibly combine and re-combine integration and differentiation in the structures they develop (Battilana et al., 2015; Ramus et al., 2017).

Attending to these four dimensions is not just a matter of precision in characterizing the configuration of hybridity; it also has implications for understanding the consequences of hybridity. Compatibility, for instance, can influence whether hybridity generates tensions between constituent elements or offers opportunities for synergy. The lower the compatibility of constituent elements, the more likely that tensions emerge between them. Centrality, meanwhile, can influence the “stickiness” of hybridity as well as the speed and difficulty of change. For example, high centrality may make it difficult for leaders to rapidly shift strategic direction or de-prioritize any particular element. In contrast, when centrality is low and a single element dominates, organizations are more likely to have a unique guide for action and may therefore be able to make strategic decisions more rapidly, all else equal.

The implications of multiplicity are less well understood. On the one hand, a higher number of constituent elements may provide more choice and flexibility when making strategic decisions or justifying proposed courses of action (e.g., McPherson & Sauder, 2013). Multiple elements also affect one another and may lead to different outcomes jointly than they would in isolation (Greenwood et al., 2010). With increased multiplicity, organizational actions may thus become more adaptive but also more difficult to predict. On the other hand, the presence of more than two constituent elements can create instability and prove difficult to manage (Capellaro et al., 2020).

Finally, structure can have implications for the risk of conflict and mission drift in hybrids. Fault-lines may be more likely to emerge in differentiated structures, heightening the potential for conflict between units or sub-groups of members (e.g., Glynn, 2000). At the same time, differentiation may allow for focus and ensure attention to each element of the hybrid (Binder, 2007). Integrated structures may be less susceptible to conflict, because shared responsibility for and routine engagement with the multiple elements of the hybrid motivates organizational members to find ways of working together (e.g., McPherson & Sauder, 2013; Smets et al., 2012). Yet due to the absence of dedicated units or individuals representing and advocating for any single element of the hybrid, integrated structures may be more susceptible to prioritizing one element over others, resulting in low centrality for the deprioritized elements and potentially the demise of any

meaningful form of hybridity. Work by [Pache and Santos \(2010\)](#) and [Battilana and Dorado \(2010\)](#) note such a risk in the context of microfinance organizations. Taking stock of existing work on the structure of hybridity in the context of social enterprises, [Besharov et al. \(2019\)](#) argue that combinations of integration and differentiation can help organizations to overcome these challenges of each “pure type.”

Interdependencies in Hybrid Configurations

In addition to their individual implications, the dimensions delineated above interact and condition one another, jointly influencing the configuration and consequences of organizational hybridity. Extant research has focused mainly on interactions between compatibility and centrality. In particular, [Besharov and Smith \(2014\)](#) theorized that the combination of low compatibility and high centrality at the organizational level is associated with the highest level of internal conflict, followed by low compatibility with low centrality, high compatibility with high centrality, and finally high compatibility with low centrality.

Interrelationships among other dimensions are also likely to be important yet to date remain less explored. First, multiplicity may further condition or augment how centrality and compatibility play out. For example, hybridity with three or more constituent elements creates the possibility for hierarchies in centrality, not just balanced or central–peripheral dichotomies. This can complicate conflict mitigation as supporters of the various elements may disagree not just along one fault-line but multiple. Higher levels of multiplicity also have implications for compatibility, as the demands of hybrid elements may vary not only in how consistent they are with one another but also in how easily they can be combined and jointly addressed ([Mitzinneck & Besharov, 2019](#)). This in turn influences the possibility of coalitions or truces among supporters of distinct elements, as well as the ease of managing tensions between elements.

Second, differences in the structure of hybridity likely have implications for compatibility and centrality as well. For example, differentiated structures may be more commonly found when compatibility and centrality are low, as structural separation can facilitate differential allocations of resources and attention and allow organizations to avoid directly confronting inconsistencies between hybrid elements. Yet this tendency may further exacerbate the potential for conflict to emerge, as representatives of each element vie for control ([Battilana & Dorado, 2010](#); [Glynn, 2000](#)). In contrast, integrated structures may help ensure attention and resources to all elements, suggesting a possible association with high centrality. Still, the combination of integration and high centrality leaves organizations with no dedicated representatives of each element nor a clear guide for decision-making when the elements of hybridity imply divergent courses of action, potentially leading to shifts in centrality if just one element is consistently favored.

Finally, multiplicity and structure themselves may interact. Differentiated and integrated structures are relatively straightforward when they involve just two elements, and these have been the focus of past organizational hybridity research. However, both types may be more challenging to manage when multiplicity is