

Cracking the organizational challenge of pursuing joint social and financial goals: Social enterprise as a laboratory to understand hybrid organizing

Julie Battilana

Accepted by associate editor Bertrand Valiorgue

Abstract. While in recent decades the social and business sectors have evolved on fairly separate tracks, today companies are increasingly expected to generate social value in addition to profit. As a result, they also increasingly face the distinct challenge of pursuing social and financial goals at the same time. Social enterprises have a great deal of experience dealing with this challenge, as hybrid organizations that combine aspects of typical businesses (undertaking commercial activity) and not-for-profit organizations (pursuing a social mission). In this essay, I discuss my research, as well as that of others, on social enterprises, with the objective of tracing my perspective on the current state of knowledge regarding social enterprises and their capacity to pursue joint social and financial goals over time. I start by discussing how exposure to diverse organizational contexts and gender affect the founding of social enterprises, before presenting the distinct tensions of hybrid organizing and how social enterprises overcome them. In doing so, I suggest that we consider these challenges in terms of internal and external pressures related to both identity and resources. Building on existing research, I then identify four pillars that seem to play a critical role in enabling organizations to pursue joint social and financial goals over time—specifically, how organizations set goals, structure activities, select members and socialize those members. In my own research, I see that these four pillars both shape and are shaped by the culture of the organization. While they might configure these organizational elements differently, I observed that the organizations able to pursue both social and financial goals over time seem to share a commonality: they maintain a hybrid organizational culture that holds and balances tensions between creating social and economic value. In conclusion, I discuss areas for future research on the joint pursuit of financial and social goals in organizations.

Keywords: hybrid organization, hybrid organizing, social enterprise, multiple goals

Julie Battilana
Harvard Business School & Harvard
Kennedy School
jbattilana@hbs.edu

INTRODUCTION

In the past decades, the social and business sectors have evolved on fairly separate tracks (Dees & Anderson, 2003). However, this boundary has become more porous, as corporations increasingly have been expected to generate not only economic but also social value (Ioannou & Serafeim, 2015; Lee & Jay, 2015; Margolis & Walsh, 2003; Wang, Tong,

Takeuchi & George, 2016). While over the past century we have accumulated a large body of knowledge in the field of management about how to maximize one dimension, namely profit, the question of how corporations can jointly pursue financial and social goals has received only scant attention. Yet some organizations have long been involved in such a dual quest, pursuing a social mission while engaging in commercial activities to generate all or part of the revenue to sustain their operations (Battilana & Lee, 2014). Often called social enterprises (Dacin, Dacin & Tracey, 2011; Dees, 1998, 2001; Mair, 2010; Mair & Martí, 2006), such hybrid organizations include microfinance institutions (e.g. Yunus, 1999), fair trade retailers (e.g. Nicholls, 2010) and work integration social enterprises (e.g. Pache & Santos, 2013), among many others around the world.

Social enterprises differ from traditional companies in that their social mission is their main objective, or is at least as important as their profit-making aim. Social enterprises are also different from traditional not-for-profit organizations because they earn income from commercial activities instead of charitable donations or government subsidies. In contrast to these traditional organizational templates, social enterprises do not add social or financial goals onto their primary activity; rather, social enterprises are more often set up from their very inception as organizations that simultaneously pursue social and financial objectives. As such, they are hybrid organizations that combine different institutional logics (Friedland & Alford, 1991; Thornton, Ocasio & Lounsbury, 2012), namely the market and social welfare logics (Battilana & Dorado, 2010; Pache & Santos, 2013), with their core activities blending economic and social principles (Battilana & Lee, 2014; Besharov & Smith, 2014; Boltanski & Thévenot, 2006; Galaskiewicz & Barringer, 2012; Haveman & Rao, 2006).

This type of organization, which hybridizes rationales that now characterize separate sectors, has existed for centuries (Paton, 2003) in cooperatives, hospitals and universities, among other forms. Yet the notion of “social entrepreneurship” entered popular discourse only more recently, in the 1980s and 90s. In the meantime, an ecosystem has developed and continues to grow around social enterprises. Today, these hybrid organizations are appearing in an increasing variety of sectors, from financial intermediation to food processing and software development (Billis, 2010; Boyd, 2009; Dorado, 2006; Hoffman, Badiane & Haigh, 2012). At the same time, new legal arrangements suited to these organizations are becoming available around the world, including in the United Kingdom, Italy, the United States and South Korea (Triponel & Agapitova, 2017). In France, the government is also taking steps toward reforming the legal status of companies to better account for the pursuit of a social mission (Notat & Senard, 2018). Furthermore, a community of impact investors interested in funding the development of social enterprises has emerged in the last decade as well (Brest & Born, 2013; Bugg-Levine & Emerson, 2011; Höchstädter & Scheck, 2015).

The rise of social enterprises and the development of an ecosystem supporting them have sparked the interest not only of researchers (for reviews, see Battilana & Lee, 2014; Battilana, Besharov & Mitzinneck, 2017; Saebi, Foss & Linder, forthcoming; Smith, Gonin & Besharov, 2013), but also of public authorities, funders and the general public. Some of these stakeholders see social enterprises as a promising alternative for contributing to the creation of economic and social value, at a time when

growing economic inequalities (Piketty, 2014), cultural recognition gaps (Boltanski & Chiapello, 1999; Lamont, 2018) and acute environmental degradations characterize the capitalist system. Others, however, have expressed doubts about the capacity of social enterprises to maintain a joint market and social orientation and attain high levels of both financial and social performance in the long run. Research in the sociology of organizations has long highlighted the risk for organizations to lose sight of their social mission in pursuit of organizational survival and efficiency (Selznick, 1949; Weber, 1904). Accordingly, social enterprises run the risk of drift, straying from their dual goals and instead focusing on only one, especially the financial at the expense of the social (Ben-Ner, 2002; Christen & Drake, 2002; Grimes, Williams & Zhao, forthcoming; Haight, 2011; Jones, 2007; Mersland & Strøm, 2010; Minkoff & Powell, 2006; Weisbrod, 2004). For example, some microfinance organizations have rekindled doubts as to whether hybrid organizations can lastingly balance their financial and social objectives, as they have seemed to abandon their social mission of helping the very poor in sometimes setting seemingly exorbitant interest rates. In the face of this risk of drift, can social enterprises really sustain the joint pursuit of social and financial goals over time and, if so, how?

It is vital to answer this question not only because we need to better understand the challenges that social enterprises face and how they can overcome them, but also because such research is important for organizations pursuing social and financial goals more broadly—particularly as consumers, not-for-profit organizations and governments are increasingly asking companies to deliver social value in addition to profit (Ioannou & Serafeim, 2015; Lee & Jay, 2015; Margolis & Walsh, 2003; Marquis & Qian, 2014; Wang et al., 2016). In this period of transformation, social enterprises provide a compelling laboratory for understanding the challenges presented by the joint pursuit of financial and social goals, and the ways in which organizations can overcome such challenges to allow for the simultaneous creation of social and economic value to varying degrees (Billis, 2010). Companies that aspire to more than window dressing (Marquis, Toffel & Zhou, 2016) may learn valuable insights from the experiences of social enterprises, which are a quintessential form of the wider phenomenon of hybrid organizing—that is, “the activities, structures, processes and meanings by which organizations make sense of and combine aspects of multiple organizational forms” (Battilana & Lee, 2014: 398). Although corporations may not engage in hybrid organizing to the same degree as social enterprises, better understanding how social enterprises can sustain the joint pursuit of social and financial goals may nonetheless provide fertile ground to grapple with how corporations can meet their growing internal and external demands to increase their positive impact on the lives of individuals and communities as well as the environment, besides seeking profit.

This essay sets out to trace my perspective on the current state of knowledge regarding social enterprises and their capacity to pursue joint social and financial goals over time. To this end, I draw on my own research as well as other existing literature. I first examine the factors that influence the founding of social enterprises, by exploring why some entrepreneurs choose to found such organizations despite the issues that this decision may pose. Next, I discuss the distinct challenges that social enterprises face as hybrid organizations and the organizational practices that may help overcome them. I suggest that we consider the tensions that

social enterprises face in terms of internal and external pressures that relate both to identity and resources. Building on existing research, I then identify four pillars that seem to play a critical role in enabling organizations to pursue joint social and financial goals over time—specifically, how organizations set goals, structure activities, select members and socialize those members. In my own research, I see that these four pillars both shape and are shaped by the culture of the organization. I observe that, while they might configure these organizational elements differently, the organizations able to pursue both social and financial goals over time seem to share a commonality: they maintain a hybrid organizational culture that holds and balances tensions between creating social and economic value. I conclude by highlighting important issues that remain for future research on hybrid organizing and the joint pursuit of financial and social goals in organizations.

FACTORS INFLUENCING THE FOUNDING OF SOCIAL ENTERPRISES

When creating new organizations, the founders' choice of well-established organizational forms is part of the canon of new institutionalism (DiMaggio & Powell, 1983). Given that established organizational forms provide models that have been recognized as legitimate, opting for a new form of hybrid organization appears risky, to say the least. Hybrid organizations thus pose a puzzle for institutional theory and, more specifically, for new institutionalism.

Tackling this puzzle, existing studies on the founding of social enterprises show that their creation results from factors related both to the environment and to characteristics of entrepreneurs themselves (Fauchart & Gruber, 2011; Pache & Santos, 2013; Powell & Sandholtz, 2012; Tracey, Phillips & Jarvis, 2011). Previous research has focused on external influences that contribute to founding social enterprises, including a reduction in available charitable resources (Defourny & Nyssens, 2006; Kerlin & Pollak, 2011; Young, 1998), which has prompted some charities to try to find new sources of revenue; the rise of market ideology, which has spread to all sectors of society (Eikenberry, 2009); and the professionalization and rationalization of the social sector (Hwang & Powell, 2009). These factors help explain why an entrepreneur might found a social enterprise instead of a traditional non-profit organization.

In the other direction, as already mentioned, the business community has faced increased pressure to create social value alongside profit (Ioannou & Serafeim, 2015; Lee & Jay, 2015; Margolis & Walsh, 2003; Wang et al., 2016). Furthermore, the founding of social enterprises may be related to the growing quest for meaning at work (Caudron, 1997). Research suggests that the missions of organizations provide meaning to workers when the core values and ideologies of the individual and the organization align (Besharov, 2008; Henderson & Van den Steen, 2015; Pratt, 2000; Thompson & Bunderson, 2003). As organizations with explicit social missions, hybrids may be a vehicle for providing meaning to workers (Caringal-Go & Hechanova, forthcoming). The founding of hybrids versus typical corporations may also be influenced by the logic that is most salient in a given environment (Friedland & Alford, 1991; Thornton et al., 2012). Yan, Ferraro and Almandoz (forthcoming), for instance, examine across countries the links between the founding of socially responsible investing funds and the prevalence of the financial logic in society. They suggest that

the founding of hybrid organizations combining social and financial goals is more likely at moderate levels of financial logic prevalence, where entrepreneurs can diverge from pursuing only financial end goals while still having access to financial means. This is in contrast to low levels of financial logic prevalence, where the scarcity of financial resources may constrain start-ups, and high levels of financial logic prevalence, where the legitimacy costs of pursuing nonfinancial goals seem too high (Yan et al., forthcoming).

In addition to these environmental factors, entrepreneurship research suggests that the strategic decisions of new ventures are also highly personal and influenced by the specific preferences, identities and experiences of their founders (Almandoz, 2014; Burton, 2001; Fauchart & Gruber, 2011; Grimes, forthcoming; Gruber, MacMillan & Thompson, 2012; Wry & York, 2017). What, then, leads founders to create social enterprises?

I have collaborated on two longitudinal studies to address this question in the setting of a global fellowship for nascent social ventures. The first (Lee & Battilana, 2018) showed a link between individuals' exposure to specific organizational contexts and their subsequent organizational choices (Dokko, Wilk & Rothbard, 2009; Higgins, 2005; Phillips, 2005; Tilcsik, 2014). Specifically, we found that the founders who had worked in both the business and social sectors were more likely than others to go on to create a hybrid organization combining market and social principles. Moreover, we observed that entrepreneurs who had been indirectly exposed to both the commercial and social sectors through their parents' professional experiences were also more likely to create a hybrid organization (Lee & Battilana, 2018).

The second study examined the role of gender in the use of commercial activity in social ventures (Dimitriadis, Lee, Ramarajan & Battilana, 2017). Despite the prevalence of gendered norms in the social sector (McCarthy, 2001; Themudo, 2009) and the different roles played by women and men there (Halpern, 2006; Odendahl & O'Neill, 1994), few researchers had hitherto studied this topic. In our sample of fellowship applicants, we found that women were less likely than men to create a hybrid organization when founding a social venture. Gender stereotypes associate women with compassion, altruism and communalism (Eagly & Steffen, 1984), qualities aligned with the goals and motivations of the social sector, while associating men with competitiveness and greater risk-taking, consistent with the business sector (Eagly & Karau, 2002; Heilman, Block, Martell & Simon, 1989; Lucas, 2003). In this context, women who created hybrid organizations transgressed not only social sector norms, which have historically encouraged the charity model for organizations with a social mission, but also gender norms associating women with social activities. We found that women were accordingly less likely than men to create such transgressive hybrid organizations. The study also, however, showed that the community context moderated this effect. Among the fellowship applicants, the local presence of female business owners appeared to help mitigate the pressure of traditional gender norms, as female founders of social ventures based in communities with a larger concentration of female business owners were more likely than other women to create hybrid organizations.

These two longitudinal studies thus demonstrate that gender roles, as well as entrepreneurs' exposure to diverse organizational contexts through either their own or their parents' experiences, can influence their choice of organizational model. Although these two factors of gender and exposure do not explain everything, they come into play in the decision to opt for a hybrid organization instead of a traditional not-for-profit organization. Yet this is only one side of hybridization. We also need to understand better the factors that lead entrepreneurs to create a hybrid organization instead of a typical company.

CHALLENGES FACING SOCIAL ENTERPRISES

The hybrid nature of social enterprises presents unique challenges in the face of institutional complexity, as they combine different institutional logics—those of the market and social welfare (Greenwood, Raynard, Kodeih, Micelotta & Lounsbury, 2011; Jarzabkowski, Smets, Bednarek, Burke & Spee, 2013; Kraatz & Block, 2008). For decades, organizational theorists have underscored the risk of organizations abandoning their social goals in their quest for survival and efficiency (Weber, 1904). More than 60 years ago, Philip Selznick warned organizational leaders about the “cult of efficiency” that they would have to transcend in order to “creat[e] a social organism capable of fulfilling [its] mission” (Selznick, 1957: 134-136). For social enterprises, the risk of mission drift is particularly acute, for their core purpose is to generate not only economic but also social value (Grimes et al., forthcoming). If they lose sight of either of these objectives, they fail (Bacq & Janssen, 2011).

The task of pursuing dual goals—social and financial—is particularly difficult in an ecosystem that is not (at least yet) set up for such hybrid organizations. Indeed, combining social and financial goals over time often proves difficult when the surrounding ecosystem is still mostly organized around the categories of for-profit and not-for-profit organizations. The distinction between economic and social activities continues to form the basis of laws and public policies, as well as corresponding cultural norms and beliefs. While changing social expectations and new legislation offer new opportunities for hybrid organizing, the premise of existing laws, regulations, industry norms, monitoring systems and funder mind-sets still often runs counter to the joint pursuit of social and financial goals.

In this context, the challenge for hybrids is to manage, on a daily basis, the tensions likely to arise between the social and financial aims they pursue. Over the last 10 years, I have interviewed the founders and employees of hundreds of social enterprises, not-for-profit organizations and for-profit companies engaged in hybrid organizing in a wide range of sectors around the world. The vast majority acknowledged that their social and financial goals did not always align and that they regularly faced intense tensions as a result.

These tensions stem from both internal and external pressures (see Table 1). Inside the organization, a hybrid's dual identities (social and commercial) may be a source of conflict among members (Albert & Whetten, 1985), especially if opinions diverge on the relative importance of financial objectives in relation to social ones (Fiol, Pratt & O'Connor, 2009; Glynn, 2000; Pratt & Foreman, 2000). Outside the organization, a hybrid pursuing financial and social goals must also prove both its economic and social legitimacy to various partners and clients with different expectations

(Hsu, Koçak & Hannan, 2009; Ruef & Patterson, 2009; Zuckerman, 1999). These tensions also have material implications, manifesting in internal disagreements over resource allocation (Canales, 2014; Glynn, 2000; Moizer & Tracey, 2010; Tracey et al., 2011), as well as distinct challenges finding funding (Cobb, Wry & Zhao, 2016; Lee, 2014) and talent (Battilana & Dorado, 2010).

	Identity	Resources
Internal	<ul style="list-style-type: none"> -Value clashes (e.g. Chandler, 2014; Glynn, 2000) -Multiple discourses (e.g. Dean & McMullen, 2007; Poldner, Shrivastava & Branzei, 2017) -Emotional stress (e.g. Bacq, Battilana & Bovais, 2018) 	<ul style="list-style-type: none"> -Conflicted resource allocation (e.g. Canales, 2014; Moizer & Tracey, 2010)
External	<ul style="list-style-type: none"> -Ill-fitting legal status (e.g. Brakman Reiser & Dean, 2017; Pache & Santos, 2013) -Reduced legitimacy (e.g. Pache & Santos, 2013) -Divergent expectations from various audiences (e.g. Lallemand-Stempak, 2017; Ramus, Vaccaro & Brusoni, 2017) 	<ul style="list-style-type: none"> -Difficulty finding funding (e.g. Cobb et al., 2016; Yan et al., forthcoming) -Difficulty finding talent (e.g. Battilana & Dorado, 2010; Besharov, 2014)

Table 1. Tensions in Hybrid Organizations

INTERNAL IDENTITY TENSIONS

Members of a hybrid organization may struggle to deal with identity tensions as a result of the joint pursuit of social and financial objectives (Daudigeos & Valiorgue, forthcoming; Grenier & Bernardini-Perinciolo, 2015; Jaumier, Daudigeos & Joannidès de Lautour, 2017; Lonceint, 2017), because they have to reconcile values (Besharov, 2014; Chandler, 2014; Glynn, 2000) often perceived as conflicting (Château Terrisse, 2012) and even competing (Poldner et al., 2017). Besides cognitive tensions (Ashforth & Reingen, 2014; Bovais, 2014; Foreman & Whetten, 2002), this can generate emotional stress (Ashforth, Rogers, Pratt & Pradies, 2014; Bacq et al., 2018). Moreover, organizational members may encounter issues speaking different languages (Dean & McMullen, 2007), such as favoring one kind of discourse over another or getting stuck in between discourses (Poldner et al., 2017).

Research, for example, shows that when an organization pursues both financial and social objectives, members can experience emotional stress because of the difficult coexistence of these aims (Ashforth & Reingen, 2014; Foreman & Whetten, 2002). Studying Bolivian microfinance institutions, Dorado and I found that such tensions led to interpersonal conflicts between former social workers emphasizing the social aim of enabling poor entrepreneurs to access loans and former bankers emphasizing the financial aim of maintaining profitability from loan payback and interest (Battilana & Dorado, 2010). Sengul, Pache, Model and I also observed value clashes in our study of work integration social

enterprises (WISEs) in France (Battilana, Sengul, Pache & Model, 2015). These hybrids hire and train the long-term unemployed in order to help them build the skills and experience to re-enter the job market, while at the same time selling the goods and services the beneficiaries help produce for revenue to sustain operations. We found that some social workers who focused on mentoring the beneficiaries opposed their colleagues in charge of commercial services (and vice versa) at the risk of paralyzing their organizations (Battilana et al., 2015).

EXTERNAL IDENTITY TENSIONS

The multiple identities of hybrid organizations are also a potential source of tension in their relationships with their external environment (Pache & Santos, 2013). New legal statuses intended to better fit social enterprises have already emerged across Europe (European Commission, 2015) and around the world (Brakman Reiser & Dean, 2017; Triponel & Agapitova, 2017). However, in recent years, my interviews with the founders of social enterprises suggest that, in many instances, business advisors, particularly legal counsel, still tend not to recommend these new hybrid statuses due in part to advisors' own unfamiliarity with and uncertainty about them.

Beyond their legal identity, hybrid organizations' legitimacy is also at stake in their relationships with external partners. To survive and thrive, hybrids would ideally be seen by others in both the business and social sectors as legitimate (Suchman, 1995). However, because they transgress established business and charity models (Ruef & Patterson, 2009; Zuckerman, 1999), hybrids run the risk of disappointing the differing expectations of their various partners (Aurini, 2006; Hsu, 2006; Hsu et al., 2009; Lallemand-Stempak, 2017; Pache & Santos, 2013; Zuckerman, 1999), which can be especially acute amid environmental turbulence (Ramus et al., 2017). WISEs, for example, must simultaneously meet expectations of economic efficiency from funders and customers, as well as the social imperatives of not-for-profit and public partners supporting their social mission. Even in the French context, with robust public support for such organizations, WISEs still suffer some legitimacy discounts in the eyes of both their market and their social partners (Pache & Santos, 2013).

INTERNAL RESOURCE TENSIONS

Intangible identity issues also manifest tangibly over resources. As a result of pursuing social and financial goals, resource allocation within hybrid organizations can be complex and involve trade-offs that can become a source of dispute (Bargues, Hollandts & Valiorgue, 2017; Canales, 2014; Costa, Ramus & Andreus, 2011; Ebrahim, Battilana & Mair, 2014; Glynn, 2000; Moizer & Tracey, 2010; Tracey et al., 2011). For example, when the Brazilian microfinance provider Avante faced a higher-than-anticipated default rate in its loan portfolio, its management team had to decide whether to raise interest rates, passing the cost on to its clients/beneficiaries to advance the organization's financial objectives, or to maintain the existing interest rate so as to preserve its social objectives, but at the risk of cutting into profitability. In that instance, managers chose to assume the cost and prioritize the firm's social mission, with the expectation (which proved correct) that the organization could increase its profitability in the following months with the rollout of new mobile

technology. The decision was not, however, self-evident, and hybrid organizations like Avante regularly face similar dilemmas.

The lack of consensus on how to address dilemmas between social and financial objectives can lead to conflicts that, if poorly handled, can culminate in decision-making paralysis (Pache & Santos, 2010). For example, within a WISE, tensions often arise when it comes to deciding how much time beneficiaries should spend on the production line versus in sessions with social workers. Both sets of activities are critical to the organization and the beneficiaries it aims to help. Yet the activities sometimes compete for human resources (i.e. for the beneficiaries' time and attention). When beneficiaries are on the production line, they contribute to generating revenue, while also building technical and professional experience that will be critical for them in finding a job at the end of their time at the WISE. However, beneficiaries also need to spend time with social workers, who help them address health and housing issues, write their CVs, and develop social skills that are also critical for them to find and keep a job outside the WISE. Disagreements about how to allocate beneficiaries' time can lead to organizational paralysis, thereby impacting the WISE's ability to achieve both its social and its financial goals (Battilana et al., 2015).

EXTERNAL RESOURCE TENSIONS

Access to external resources, both human and financial, is also a challenge for social enterprises on account of their hybrid nature. Indeed, I have observed social enterprises struggle to find hybrid talent for their workforces. Microfinance organizations, for example, need employees who have skills in both finance and social work, and employees comfortable intertwining social and financial goals in one activity. However, these skills and this orientation have not historically gone hand-in-hand (Battilana & Dorado, 2010). And hiring individuals who value only social goals or only financial goals in isolation may require different mechanisms for them to identify with a hybrid organization (Besharov, 2014).

When it comes to financial resources, recent research suggests that, compared with organizations following a more traditional social or business sector model, social enterprises find fund-raising more difficult (Cobb et al., 2016; Lee, 2014). In an empirical study, Lee (2014) found that nascent social ventures engaged in commercial activity were less likely than those not undertaking such hybrid organizing to reach key organizational milestones, such as securing external funding, becoming legally registered and hiring employees. These difficulties can be partly explained by the reticence of potential funders. Indeed, commercial investors may be deterred by activities deemed unprofitable, at the same time that philanthropists may be skeptical about the social purpose of an organization that earns a profit.

Javier Okhuysen and Carlos Orellana encountered such skepticism when, inspired by the Aravind Eye Care model in India, they founded the social enterprise *Oftalmología salauno* to provide high-quality, low-cost eye care to Mexicans who could otherwise not afford these services. Several foundations, investors, and public authorities seemed initially distrustful of the organization because it sought to pursue a social mission while being profitable. Thus, at the outset, gaining the trust of a few large donors like the Inter-American Development Bank was critical to imbue the hybrid

organization with credibility in the eyes of key actors in the social sector. In parallel, Oftalmologia salauno also had to show robust profitability projections to convince commercial investors of the social enterprise's value proposition.

Although impact investing has started to develop funding instruments specially designed to respond to the needs of social enterprises (Bugg-Levine & Emerson, 2011; Höchstädter & Scheck, 2015), the qualitative and quantitative data I have collected over the last decade show that social entrepreneurs still struggle to find funding. From the supply perspective, impact investors have also recognized difficulties making such investments. For instance, when Vox Capital received its accreditation to become the first impact investing fund in Brazil in 2012, it encountered challenges from all sides—foremost, at the beginning, trying to fund-raise from philanthropists who questioned whether making money could really do social good, and traditional investors who questioned whether doing social good could really make money. Moreover, Vox Capital had to find a pipeline of entrepreneurs for its portfolio who not only had deep social commitments but also had business expertise to maintain operational excellence and profitability, in a context where the notion of social entrepreneurship was still fringe. While Vox Capital has taken strides to build its portfolio, cofounders Antonio Moraes and Daniel Izzo recognize that they have much more to do in order to realize the promise of impact investing to deliver financial returns alongside social impact on a large scale (Battilana, Kimsey, Paetzold & Zogbi, 2017).

All the challenges discussed above are likely to vary across contexts. A recent empirical study of microfinance organizations in more than 100 countries, for example, shows how social-financial trade-offs varied according to the cultural context (Wry & Zhao, 2018). In addition, the strength of these trade-offs is likely to change over time. Their intensity may diminish in the future if the environment shifts and better responds to the needs of hybrid organizing.

HOW SOCIAL ENTERPRISES MANAGE THEIR CHALLENGES

Faced with an array of internal and external challenges, how can hybrid organizations survive and even thrive over time? While we still have a great deal to learn about how organizations can sustain high levels of social and financial performance simultaneously, existing studies offer some insights. In this section, I discuss the findings of research on organizational practices to overcome challenges in the joint pursuit of social and financial goals, as they relate to different elements of hybrid organizing. Specifically, existing studies suggest that setting goals, structuring activities, selecting members, and socializing those members are critical components that help organizations maintain their hybridity over time (see Table 2).

In my own research on social enterprises around the world, I see that these four pillars both shape and are shaped by the culture of the organization. Organizational culture encompasses the shared set of norms and values regarding how people ought to behave and carry out their work in an organization (Schein, 2010). Among the organizations that I have studied, those that are able to sustain the joint pursuit of social and financial goals over time share a commonality: they have created and

maintained a hybrid organizational culture that embeds the joint pursuit of financial and social goals in all aspects of organizational life, which thereby enables them to take on the tensions that arise in this joint pursuit. An organizational culture that surfaces and deals with such tensions thus seems important to avoid drift—that is, a “culture . . . that encourages a full and respectful airing of disparate views,” as Ashforth and Reingen (2014: 510) put it. Building on my research, I suggest that setting goals, structuring activities, selecting members and socializing those members are concrete ways that not only reflect an organization’s culture but can also affect it, either to promote or hinder the joint pursuit of social and financial goals.

Below, I present the four pillars of hybrid organizing and discuss how they relate to the creation and maintenance of a hybrid organizational culture that seems to enable hybrids to take on the tensions that arise in this joint pursuit.

Pillar	Practices	Examples
Setting organizational goals	<ul style="list-style-type: none"> -Establishing social and financial aims -Tracking social performance metrics as well as financial ones 	<ul style="list-style-type: none"> -Natural foods cooperative (Ashforth & Reingen, 2014) -Water service provider (André, Cho & Laine, 2018)
Structuring organizational activities	<ul style="list-style-type: none"> -Integrating social and economic activities, differentiating social and economic activities, and/or combining integration and differentiation of social and economic activities 	<ul style="list-style-type: none"> -Work integration social enterprises (Battilana et al., 2015) -Information technology outsourcing business (Smith & Besharov, forthcoming)
Selecting organizational members	<ul style="list-style-type: none"> -Recruiting individuals who are hybrids, individuals who are specialists in either social or economic domains, and/or individuals who are blank slates 	<ul style="list-style-type: none"> -Natural foods retailer (Besharov, 2014) -Microcredit lender (Battilana & Dorado, 2010)
Socializing organizational members	<ul style="list-style-type: none"> -Training members in hybrid organizing -Rewarding members for hybrid organizing -Enabling informal interactions across members with different profiles 	<ul style="list-style-type: none"> -Cooperative bank (Bacq et al., 2018) -Microcredit lender (Battilana & Dorado, 2010)

Table 2. Pillars of Hybrid Organizing

SETTING ORGANIZATIONAL GOALS

Multiple goals pervade organizational life (Cyert & March, 1963; Gavetti, Levinthal & Ocasio 2007; March & Simon, 1958; Meyer, 2002; Simon, 1947). As such, a central challenge for organization theory is understanding the factors that facilitate agreement in the face of multiple goals, which serve as objects of action on the part of individuals and organizations. Scholars have identified a variety of mechanisms through which complex organizations can deal with multiple goals (Ethiraj & Levinthal, 2009). Accordingly, hybrid organizations that pursue financial and social aims are not unusual because they pursue multiple goals. Instead, they are unusual because the extent to which people tend to perceive financial and social goals as different is so great. The economic/social divide has deep historical roots not only in academia (Friedman, 1970; Jensen, 2002) but also day-to-day in institutional, organizational and individual life.

In this context, recent studies examine goal setting with a focus on understanding how hybrid organizations can keep an eye on both sets of their goals. Exploring organizational duality, Ashforth and Reingen (2014) pose the question “What makes both sides of the duality salient?” In the context of a natural foods cooperative, they show how a foundation for making a moral versus pragmatic duality salient was that the organization had institutionalized both moral and pragmatic aims since its founding in the cooperative’s mission, bylaws and policies. For example, they explain: “Bylaws—crafted and continually revised by member committees through a consensus-seeking process—clearly reveal the dual, seemingly incompatible goals at the core of the co-op’s identity: ‘In carrying out its business, the Cooperative is committed to engaging in the production and distribution of high quality goods and services at low cost in a manner that is in harmony with ecological principles and social freedom’” (p. 487). Such institutionalization of dual goals accordingly provided a foreground for keeping organizational duality and its associated tension alive, thereby enabling the development and maintenance of a hybrid culture in the cooperative (Ashforth & Reingen, 2014).

Smith and Besharov (forthcoming), in turn, examine how a social enterprise in Cambodia, Digital Data Divide, sustained its hybridity successfully from its inception in 2000 to 2010. They find that one of the factors that enabled the organization to do so was the setting and pursuit of goals for each of its missions, one social-oriented and the other business-oriented. For example, in 2005, Digital Data Divide separately set three-year social goals that included “develop[ing] 400 young leaders with technology skills to support economic and social development in the Mekong region,” alongside business goals that included covering business costs from client revenue.

The other side of goals is the set of metrics that measure progress toward achieving those goals. While the fields of finance and accounting provide well-established ways to track financial performance, the domain of social performance measurement is younger, and its task especially difficult when the cause and effect of social problems and solutions are uncertain, which is often the case (Ebrahim, forthcoming). People evaluate and interpret social performance differently from financial performance, which has a more readily quantifiable pool of indicators from which to draw and compare with the organization’s own performance or that of the

industry, such as return on assets and sales. In contrast, without such a quantifiable and comparable set of indicators readily available, hybrid organizations can negotiate shared reference points for social performance in dialogue with stakeholders identifying with and caring about the organization and its social performance (Nason, Bacq & Gras, 2018).

Measuring both financial and social performance can provide a basis for hybrid organizations to be able to take stock of their activities along both dimensions and make course corrections to avoid drift. Indeed, metrics served as another guardrail for the social enterprise Digital Data Divide in Cambodia. As the organization built a sustainable business, it began to track its social performance quantitatively: for instance, the number of disadvantaged people hired, scholarships offered and taken, staff graduating to jobs after employed by the organization, staff promoted within the organization and average salaries for each group. Digital Data Divide also created and filled the position of “full-time social mission director” to monitor social performance metrics. Such monitoring of performance was critical for enabling the organization to avoid drift. For example, at one point performance monitoring led board members to realize that the organization had not met its social goals, and that realization pushed them to renew their focus on social impact to counteract the risk of drift (Smith & Besharov, forthcoming).

André, Cho and Laine (2018) conducted a longitudinal case study of another hybrid organization in Southeast Asia—a water services provider—to investigate the use of reference points for social performance to support hybrid organizing. They illustrate how metrics enabled the water services provider to develop new approaches to social performance evaluation that helped signal its hybrid purpose. With space for forming interpretations and engaging in discussions, organizational members could come to agree on metrics that served as provisional settlements (Kaplan & Orlikowski, 2013) acceptable to groups adhering to different principles.

B Corp certification, established by the not-for-profit organization B Lab in 2007, provides another tool that some hybrid organizations are using to help track their social performance and participate as members of a new category of organizations (Gehman & Grimes, 2017). Today, 2,600 companies in 60 countries are certified B Corps (B Lab, 2018). To maintain this certification, every two years the businesses need to achieve a certain threshold on the “B Impact Assessment”—measuring their impact on their workers, customers, suppliers, community and the environment—in addition to requirements such as willingness to undergo periodic independent audits. Conger, McMullen, Bergman and York (2018) studied 46 companies that underwent or seriously considered undergoing this process. They found variation in the role of B Corp certification in hybrid organizing. It seemed to lead some companies to invest more in pursuing their social goals (“prosocial opportunity amplification”) when entrepreneurs were more open to changing their identity, which enabled B Corp certification to serve as a catalyst for productive reflection.

STRUCTURING ORGANIZATIONAL ACTIVITIES

Hybrid organizations engage in a range of activities. Some are meant to help advance social goals, others are meant to advance financial ones, and still others can support both. Building on the research tradition that focuses on organizational design in the field of organization theory

(Galbraith, 1977; Lawrence & Lorsch, 1967; Mintzberg, 1979), research on hybrids accordingly delineates between integrated and differentiated organizational structures (for reviews, see Battilana & Lee, 2014; Battilana, Besharov & Mitzinneck, 2017).

In an integrated structure, a hybrid organization tries to combine social and commercial principles in all of its activities. The organizational model of the Bolivian microcredit lender Los Andes in the late 1990s and early 2000s exemplifies such an approach. Like other microfinance organizations, Los Andes integrated its commercial and social work activities: with the granting of each loan, Los Andes also accomplished its social mission of expanding access to financial services to poor entrepreneurs, as long as it continued to do so without prioritizing profit at the expense of clients' well-being. Yet Los Andes integrated even further—its workforce, with employees involved in both the social and commercial aspects of activities; its organizational design, with internal units responsible for both social and commercial activities; and, moreover, its incentive systems focused on the organization's integrated activities, rather than separate systems established to advance social and commercial goals, respectively. In this case, with such an integrated structure, Los Andes was able to develop a hybrid organizational culture and sustain the pursuit of both financial and social goals (Battilana & Dorado, 2010).

Yet such integrated structures are not always associated with the development and maintenance of a hybrid culture, nor are they a necessary condition for an organization to create and sustain one. While the loan clients of microfinance organizations are also their beneficiaries, for other hybrids, clients and beneficiaries are separate. It would be impossible for such organizations to adopt a model as integrated as that of microfinance organizations, because some of the social and commercial activities in which they are involved are inherently distinct. WISEs exemplify hybrid organizations in such a situation that accordingly take on a more differentiated structure. Upon hiring the long-term unemployed (the intended beneficiaries) to produce goods or services, these social enterprises sell the goods or services to clients at market prices. Examples of such organizations include Goodwill stores in the United States, The Big Issue magazine in the United Kingdom and the ENVIE recycling network in France. In addition to their commercial operations, these social enterprises also provide their employees with personalized support and training to facilitate their lasting return to work.

Analyzing panel data of WISEs in France between 2003 and 2007, Sengul, Pache, Model, and I found that WISEs could achieve high levels of both social and financial performance with differentiated structures that assigned social and commercial activities to distinct groups—in this case, social workers to focus on employees' personalized support and training for their well-being, and production supervisors to focus on employees' productivity and work quality for the organization's financial sustainability. Importantly, those WISEs that sustained high levels of both financial and social performance also maintained spaces of negotiation, which were arenas in which the social workers and production supervisors would get together to discuss the social/financial trade-offs that they faced until they agreed on how to resolve them. The combination of a relatively differentiated structure with spaces of negotiation thus helped WISEs maintain their hybridity. Thus, in this case, the differentiation of production

and social work responsibilities was combined with the integrative mechanism provided by the spaces of negotiation (Battilana et al., 2015).

As such, integration and differentiation approaches are not necessarily binary options. Some recent studies have described other strategies that combine integration and differentiation over time (e.g. Jay, 2013; Smets, Jarzabkowski, Burke & Spee, 2015; Smith, Besharov, Wessels & Chertok, 2012). For example, at Digital Data Divide in Cambodia, the organizational structure was not consistently integrated or differentiated over time. Instead, for this social enterprise, some aspects of the organization were integrated while others were differentiated. Furthermore, the balance between integration and differentiation changed in the course of the 10-year study based on the decisions of managers and the board—underscoring the importance of the interactions between stability and adaptation in the realm of organizational structure in hybrids (Smith & Besharov, forthcoming).

SELECTING ORGANIZATIONAL MEMBERS

Organizational members are those who undertake activities on behalf of the organization; they include employees, managers, and board members. In pursuing joint social and financial goals, hybrids need to mobilize individuals who can work at the intersection of both worlds—to understand the opportunities and challenges, speak the languages and embrace the values from the vantage points of the social and business sectors. Research suggests different recruitment approaches to do so.

Some hybrid organizations pursue a hybrid profiles approach, seeking individuals who already value both the social and commercial aspects of the hybrid organization. Studying a natural foods grocery chain in the United States, Besharov (2014) found that what she calls “pluralist managers,” who already supported both social and economic values, helped the retailer sustain its hybridity. Such pluralists had a complementary identity structure (Dutton, Roberts & Bednar, 2010). One department manager explained: “It all works together, and it’s pretty clear. We’re here to make money. We’re here to make customers happy. We’re here to make our employees happy. We’re here to be involved in the community. And we’re here to sell the best product. [Those core values] are part of my life everyday here. I live them every day. And they’re natural. They fit.” Such pluralist managers, through their presence and behaviors, helped mitigate tensions between other organizational members who prioritized one set of values over another, and helped them come to identify more over time with the organization’s hybrid values, both social and economic.

Individuals do not necessarily have to arrive with a hybrid profile to be able to uphold the dual goals of a hybrid organization. Most individuals still specialize in one sector, with not-for-profit managers trained to serve unmet social needs and working in not-for-profit organizations, and business sector managers trained to maximize profit and working in profit-driven companies. Even though this pattern is changing, it still dominates today’s world. Many hybrid organizations accordingly pursue a specialized profiles approach to recruitment, in which they hire experienced professionals from either the social or the business world. In addition to pluralist managers, the natural foods store studied by Besharov (2014) hired socially oriented frontline workers as well as commercially oriented

frontline workers (“idealists” and “capitalists”). WISEs provide another example of a specialized profiles approach to recruitment, because they hire individuals with training and experience in social work to mentor the previously unemployed to support their personal development, while also hiring individuals with training and experience in business operations to supervise the quality of work undertaken by beneficiaries to support financial viability (Battilana et al., 2015).

The flip side of the specialized profiles approach to hiring is the blank slate approach, in which some hybrid organizations recruit individuals without experience in either the business or the social sector for entry-level jobs, and then socialize them to acquire the needed dual values and skills. For example, Dorado and I observed that the microfinance organization Los Andes hired university graduates with essentially no professional experience to try to avoid identity conflicts among individuals already specialized in social work or finance. The organization then trained these “blank slates” to be microfinance loan officers dedicated to the organization’s social mission and financial sustainability (Battilana & Dorado, 2010).

The specialized and blank slate approaches require different socialization of organizational members into a hybrid organizational culture. A specialized hiring approach presents the challenge of potential conflicts between employees with a social versus a business habitus (Bourdieu, 1977) and corresponding mind-set, while a blank slate approach implies that employees lack existing know-how to accomplish organizational tasks. Socialization thus plays a critical role in helping mitigate these risks.

SOCIALIZING ORGANIZATIONAL MEMBERS

In addition to hiring, socialization is a primary way in which organizations teach and reinforce desired values and behaviors in organizational members (Alvesson & Kärreman, 2007; Ashforth & Mael, 1989, 1996; Valiorgue & Bagues Bourlier, forthcoming; Van Maanen & Schein, 1979; Wang & Pratt, 2008). While all individuals bring expectations and habits with them when they join an organization, the socialization inside hybrids contributes to developing the values and behaviors, as well as the understandings and capabilities, they need to pursue joint social and financial goals. Such socialization occurs both in the formal systems for training and rewarding organizational members and in the informal processes through which members interact day-to-day (Ashforth, Sluss & Saks, 2007; Feldman, 1976, 2002; Gómez, 2009; Heaphy, 2013; Jones, 1986; Saks & Ashforth, 1997; Zilber, 2002).

In the setting of the natural foods retailer mentioned above, a combination of bottom-up and top-down practices helped different organizational members come to identify with the hybrid organization’s joint social and economic values. One such practice to routinize organizational values involved managers encouraging frontline workers to participate in voluntary training about the retailer’s social aims, as well as activities that engaged the local community. In turn, the hybrid organization rewarded managers for playing the role of fostering identification by favoring “pluralist” managers for promotion to department and store manager (Besharov, 2014).

Bacq, Bovais, and I also unpacked how intensive socialization underpinned the decision-making system of one of the largest cooperative banks in Europe, which sought to serve its customer-members and support local socioeconomic development while running profitable banking activities. Extensive training of senior managers over several years instilled and reinforced commitments to the bank's dual aims. Moreover, the promotion system, based on ability, further rewarded the managers' for such commitment. A candidate for promotion commented, "I have seen many brilliant people fail because they did not embrace our values enough" (Bacq et al., 2018).

AND THE ROAD AHEAD?

The history of capitalism is marked not only by impressive progress in terms of health and wealth at the global level but also by persistent and growing inequalities (Deaton, 2013; Piketty, 2014). The financial crisis that began shaking the world economy at the end of 2007 widened the gap between the wealthiest 1% of society and the rest of the population (Stiglitz, 2012). The recent World Inequality Report goes back further, indicating that, between 1980 and 2016, 27% of global income growth went to the richest 1% of people, while the bottom half of the world's population reaped only 12% of global income growth. There was no region of the world where income distribution became more equal in this period, not even in Europe, with more social democracies (Alvaredo, Chancel, Piketty, Saez & Zucman, 2018). Moreover, our crisis of inequality in economic terms transpired alongside a profound cultural crisis, as well as an environmental one. Neoliberalism has been associated with growing "recognition gaps," as the disparities between societal groups in their senses of worth and cultural membership have widened (Lamont, 2018). At the same time, we are witnessing the worldwide consequences of the emergence of what many now call the "Anthropocene"—a name for our contemporary epoch in which, in the wake of industrialization, the extent to which we as humans affect the earth as "a global geophysical force" has exploded (Steffen, Crutzen & McNeill, 2007). Some have insisted on the need to recognize the role of capitalism in this trend by referring to it as the "Capitalocene" (Malm, 2016; Moore, 2016).

In this context, hybrid organizing offers a path to integrating considerations of people, the environment and profit within corporations, with the potential of helping transform our economic system and recognizing the various ways in which individuals and organizations can contribute to society beyond mere economic value creation (Battilana, 2015; Battilana, Lee, Walker & Dorsey, 2012). However, hybrid organizing raises a major challenge for corporations, that of jointly pursuing social and financial goals in an ecosystem not yet set up to facilitate such a dual pursuit. The studies that I have discussed in this essay suggest that it is possible for organizations to do so. At the same time, we cannot ignore the distinct obstacles that they continue to face. Future research should study in more depth the different approaches to hybrid organizing that organizations can use to overcome these obstacles across different institutional contexts. Such research will have significant theoretical and practical implications (Mair, Wolf & Seelos, 2016) for social enterprises as well as for companies increasingly seeking to improve the lives of individuals and communities and protect the environment, in addition to pursuing financial objectives.

The research I have conducted suggests that creating and maintaining a hybrid organizational culture committed to operational excellence and profitability as well as to social good can help organizations undertake hybrid organizing over time. Future research, however, should continue to analyze the organizational cultures present in different forms of hybrid organizing by examining both their manifestations and their implications at multiple levels of analysis (Smets, Morris & Greenwood, 2012). To this end, scholars should study not only the norms and values that make up the culture of these organizations but also the factors that may influence how these norms and values develop and change, including their governance and leadership, their workforce composition, their structure and internal monitoring of activities and performance and their interorganizational relationships (Battilana & Lee, 2014).

GOVERNANCE AND LEADERSHIP

Governance encompasses the structures, processes and relationships that mediate the directing, monitoring and accountabilities of organizations (Cornforth, 2003; Low, 2011; Monks & Minow, 1996; Pache, Battilana & Spencer, 2018). As such, balanced and effective governance remains an essential ingredient for dealing with institutional complexity (Mair, Mayer & Lutz, 2015; Quélin, Kivleniece & Lazzarini, 2017) and simultaneously preventing mission drift in hybrid organizations while ensuring profitability. Research suggests that the founders, the leadership teams and the boards of social enterprises can help address such governance challenges (Ebrahim et al., 2014). Yet we need to better understand whether and, if so, how they can do so.

Leadership plays a key role in how organizations develop, both at their founding and as they grow. At this dynamic time, when the environment increasingly demands the simultaneous generation of social and economic value, it is especially important to continue to study the social venture creation process and its determinants. We need further studies on larger and more representative samples to better understand the motivations of those who create hybrid organizations (Lee, Battilana & Wang, 2014). In particular, we need studies that will help capture and explicate the motivations of entrepreneurs who create hybrid organizations instead of typical corporations. As the institutional environment changes and hybrid models become more legitimate, social entrepreneurs' profiles and motivations are also likely to evolve.

In addition to founders, future research should also examine the role of other leaders in hybrid organizations in more detail, and the influence of their background on their leadership style in the context of hybrid organizing. For example, how does the background of leaders affect their approach to dealing with the opportunities and challenges of hybrid organizing? Do some leaders develop a leadership style better suited to hybrid organizing than others? If so, what are the characteristics of those leaders?

Furthermore, future research should examine the influence of the composition of board members and their dynamics on hybrids' ability to pursue social and financial goals over time, and implications for their performance (Pache et al., 2018). How can boards help hybrid organizations balance the social and financial demands they face, in both their formal and informal practices? How do board dynamics vary

depending on their composition and the allocation of decision-making rights? In addition to the representation of both social and financial logics among board members, the combination of governance structures and activities to maintain attention on both social and financial goals may play a critical role (Pache et al., 2018) and thus deserves more extensive study. Moreover, what are the implications of various governance arrangements across the spectrum of organizations engaged in hybrid organizing? All these questions merit further research.

WORKFORCE COMPOSITION

The composition of individual profiles in hybrid organizations matters not only for the top management and board but also for the workforce more broadly. It is important for future research to delve deeper into the impact of members' past experiences on the organization's functioning and capacity to develop and maintain its hybrid character. Research in sociology shows how individuals' interactions with institutional settings, including their educational and professional experiences, imprint their subsequent beliefs and behaviors (Bourdieu, 1977; Douglas, 1986). Hybrid organizations therefore face two key questions in terms of recruitment: First, whom should they hire in order to maintain a productive balance between pursuing the social mission and achieving economic results? Second, how can organizations socialize employees to preserve dual (social and financial) objectives?

Future research should more systematically examine the consequences of hiring as well as socialization practices on hybrid organizing. If a new generation of trained young people who are inclined to commit to the joint pursuit of social and financial objectives enters the job market soon, research should also explore the implications of hiring these "hybrid" individuals with training in both business and social fields.

THE STRUCTURE AND INTERNAL MONITORING OF ACTIVITIES AND PERFORMANCE

Regarding the internal structure of activities, we have seen that some hybrid organizations, such as microfinance organizations, may choose a very integrated form of setting up their social and commercial activities. In contrast, others, such as WISEs, organize their activities in a more differentiated way. Future studies should examine the effect of the level of integration or differentiation, as well as the dynamic interplay between integration and differentiation (Smith & Besharov, forthcoming) on the risk of mission drift and the ways in which organizations can prevent such drift. Moreover, hierarchical forms of organizing and governance may be more or less effective depending on the level of integration of social and economic activities (Battilana, Fuerstein & Lee, 2018).

We have also seen that organizations can facilitate the coordination of economic and social activities, which fundamentally underlies hybrid organizing no matter the structural approach, through appropriate integrative mechanisms—at the level of the organization in, for example, spaces of negotiation, as well as at the level of individuals as they oscillate between and combine different logics in novel ways to negotiate the paradoxes of hybrid organizing. Future research on hybrid organizing should examine these various mechanisms in greater depth.

In addition, future research should pay special attention to how both social performance and financial performance are measured and monitored (André, 2015; Renaud, 2017), and the implications of such measurements (Ebrahim & Rangan, 2010; Ebrahim, forthcoming). Tracking social and financial performance raises challenges for hybrids and can require them to measure performance over longer time horizons (Kim, Bansal & Haugh, forthcoming). Additional research needs to investigate measurement and associated accountability challenges confronted by organizations pursuing social and financial goals and how to overcome them—through changes in organizational design, tools and ways of communicating (Boltanski & Thévenot, 1991; Chiapello & Gilbert, 2013; Espeland & Stevens, 1998; Stark 2009), as well as wider ecosystem changes in expectations, standards and collective efforts. New studies should also examine how social performance indicators are perceived and used by the gamut of stakeholders, including investors, as well as the implications of such use for hybrid organizations and their ecosystem.

INTERORGANIZATIONAL RELATIONSHIPS

Another crucial aspect of hybrid organizing that has thus far received insufficient attention is the management of relationships with external stakeholders such as funders, suppliers, clients and government, from the perspective not only of organizations but also of field-building (McMullen & Warnick, 2016; York, Hargrave & Pacheco, 2016). At Digital Data Divide, external relationships was another guardrail to protect the organization's hybridity. In the early life of the social enterprise, these relationships included partnering with local not-for-profit organizations to train beneficiaries, as well as engaging local for-profit firms as clients. In the expansion of the social enterprise, these relationships included social enterprise funders and partners with social enterprise experience (Smith & Besharov, forthcoming). We need more research to understand these interorganizational relationships better. For example, does receiving funding from impact investors—who themselves have a hybrid approach to investment—change how a hybrid organization behaves?

Furthermore, as some hybrid organizations acquire other organizations, the dynamics of these mergers also merit further study, as they may intensify tensions between social and financial logics. While they may merge with other hybrids, hybrid organizations also sometimes acquire for-profit entities as demand for their services increases. SOS Group is one such example in the French healthcare and personal services sector (Battilana, Dessain & Lenhardt, 2017). Another is cooperative banks, which seek to serve their client-members' interests and support the socioeconomic development of their local communities while being profitable (Schneiberg, King & Smith, 2008). To meet demand for their services and grow their market share, some cooperative banks are acquiring commercial banking institutions (Alois, 2015; Fonteyne, 2007). External growth is not, however, risk-free for hybrid organizations, because such acquisitions increase the danger of drifting away from their social mission. This raises the question of whether an organization can maintain its hybrid nature after acquiring a traditional for-profit company and, if so, how (Bacq et al., 2018).

CONCLUSION

Because the field of research on hybrid organizing is relatively new (Robinson, 2006; Short, Moss & Lumpkin, 2009), much work still needs to be done so that we can better understand how organizations can pursue both social and financial goals over time (Battilana, Besharov & Mitzinneck, 2017). From this perspective, social enterprises provide a remarkable laboratory for study. In this essay, I have discussed internal and external pressures of hybrid organizing in terms of both identity and resources. While organizational conflict and mission drift can be formidable risks, research also shows that how social enterprises set goals, structure activities, select members and socialize those members have helped them maintain their joint pursuit of social and financial goals over time. In my own research, I see that those social enterprises that succeed maintain a hybrid organizational culture that holds and balances tensions between creating social and economic value. Yet future research on hybridity should also look more broadly at the challenges raised by the joint pursuit of social and financial objectives for corporations (Jones et al., 2016; Mitchell, Weaver, Agle, Bailey & Carlson, 2016).

As corporations increasingly engage in hybrid organizing, they face the additional challenge of transforming their existing internal processes and systems designed to pursue mainly a single objective—profit maximization. Undertaking this transformation, which departs from sector norms taken for granted over the past century, is challenging, because this kind of divergent change tends to trigger resistance (Battilana & Casciaro, 2012, 2013a, 2013b). Research on hybrid organizing in corporations will thus also need to account for the political dynamics underlying their internal hybridization process. We need such studies now more than ever, as an increasing number of public authorities, shareholders, investors and consumers are expressing their expectations for corporations to integrate social and economic value creation (Ioannou & Serafeim, 2015; Lee & Jay, 2015; Margolis & Walsh, 2003; Wang et al., 2016).

Yet the hybridization movement does not only affect corporations. It also affects not-for-profits, as some of them have been trying to generate commercial revenues to complement the private donations and/or public subsidies on which they have historically relied. While the hybridization of corporations can be seen as the penetration of the social logic within the market sector, the hybridization of not-for-profits can be seen as the penetration of the financial logic within the social sector. Each of these two trends is likely to affect social and economic value creation differently. Future research will need to study the manifestations and implications of both, not only for organizations but also more broadly for society. Instead of assuming that hybrid organizing is either good or bad, we need to understand whether and, if so, under what conditions hybrid organizing can help create more social and economic value and contribute to redressing some of the economic inequalities (Deaton, 2013; Piketty, 2014), cultural recognition gaps (Lamont, 2018), and environmental degradations that currently characterize our world. As such, hybrid organizing may be a wellspring of organizational- and societal-level research in the years and decades to come.

REFERENCES

- Albert, S. & Whetten, D.A. (1985). Organizational Identity. *Research in Organizational Behavior*, 7, 263-295.
- Almandoz, J. (2014). Founding Teams as Carriers of Competing Logics: When Institutional Forces Predict Banks' Risk Exposure. *Administrative Science Quarterly*, 59(3), 442-473.
- Alois, J.D. (2015). Mangopay Exit: Fintech Group Acquired by French Bank. *Crowdfund Insider*, September 22.
- Alvaredo, F., Chancel, L., Piketty, T., Saez, E. & Zucman, G. (2018). The World Inequality Report. World Inequality Lab.
- Alvesson, M. & Kärreman, D. (2007). Unraveling HRM: Identity, Ceremony, and Control in a Management Consulting Firm. *Organization Science*, 18(4), 711-723.
- André, K. (2015). Une évaluation hybride des entreprises sociales. *Revue française de gestion*, 2, 71-83.
- André, K., Cho, C.H. & Laine, M. (2018). Reference Points for Measuring Social Performance: Case Study of a Social Business Venture. *Journal of Business Venturing*, 33(5), 660-678.
- Ashforth, B.E. & Mael, F. (1989). Social Identity Theory and the Organization. *Academy of Management Review*, 14(1), 20-39.
- Ashforth, B.E. & Mael, F. (1996). Organizational Identity and Strategy as a Context for the Individual. *Advances in Strategic Management*, 13, 19-64.
- Ashforth, B.E. & Reingen, P.H. (2014). Functions of Dysfunction: Managing the Dynamics of an Organizational Duality in a Natural Food Cooperative. *Administrative Science Quarterly*, 59(3), 474-516.
- Ashforth, B.E., Rogers, K.M., Pratt, M.G. & Pradies, C. (2014). Ambivalence in Organizations: A Multilevel Approach. *Organization Science*, 25(5), 1453-1478.
- Ashforth, B.E., Sluss, D.M. & Saks A. (2007). Socialization Tactics, Proactive Behavior, and Newcomer Learning: Integrating Socialization Models. *Journal of Vocational Behavior*, 70(3), 447-462.
- Aurini, J. (2006). Crafting Legitimation Projects: An Institutional Analysis of Private Education Businesses. *Sociological Forum*, 21(1), 83-111.
- B Lab. (2018). A Global Community of Leaders. Available at: <https://bcorporation.net>.
- Bacq, S., Battilana, J. & Bovais, H. (2018). Round Hole, Square Peg? Sustaining the Joint Pursuit of Social and Commercial Goals in a Cooperative Bank. Working Paper.
- Bacq, S. & Janssen, F. (2011). The Multiple Faces of Social Entrepreneurship: A Review of Definitional Issues Based on Geographical and Thematic Criteria. *Entrepreneurship and Regional Development*, 23(5-6), 373-403.
- Bargues, E., Hollandts, X. & Valiorgue, B. (2017). Legitimize and Implement Democratic Governance Following a Recovery in SCOP: A Reading in Terms of Institutional Work. *French Review of Management*, 53(263), 31-50.
- Battilana, J. (2015). Recasting the Corporate Model: What Can Be Learned from Social Enterprises? In S. Rangan (Ed.), *Performance and Progress: Essays on Capitalism, Business, and Society* (pp. 435-461). Oxford: Oxford University Press.
- Battilana, J., Besharov, M. & Mitzinneck, B. (2017). On Hybrids and Hybrid Organizing: A Review and Roadmap for Future Research. In R. Greenwood, C. Oliver, T.B. Lawrence & R.E. Meyer (Eds.), *The SAGE Handbook of Organizational Institutionalism*, 2nd ed. (pp. 128-162). Thousand Oaks, CA: SAGE.
- Battilana, J. & Casciaro, T. (2012). Change Agents, Networks, and Institutions: A Contingency Theory of Organizational Change. *Academy of Management Journal*, 55(2), 381-398.
- Battilana, J. & Casciaro, T. (2013a). Overcoming Resistance to Organizational Change: Strong Ties and Affective Cooptation. *Management Science*, 59(4), 819-836.
- Battilana, J. & Casciaro, T. (2013b). The Network Secrets of Great Change Agents. *Harvard Business Review*, 91(7/8), 62-68.
- Battilana, J., Dessain, V. & Lenhardt, J. (2017). SOS Group: Scaling a Social Enterprise Conglomerate. Harvard Business School Case 418-010. Boston, MA: Harvard Business School Publishing.
- Battilana, J. & Dorado, S. (2010). Building Sustainable Hybrid Organizations: The Case of Commercial Microfinance Organizations. *Academy of Management Journal*, 53(6), 1419-1440.
- Battilana, J., Fuerstein, M. & Lee, M. (2018). New Prospects for Organizational Democracy? How the Joint Pursuit of Social and Financial Goals Challenges Traditional Organizational Designs. In S. Rangan (Ed.), *Capitalism Beyond Mutuality? Perspectives Integrating Philosophy and Social Science* (pp. 256-288). Oxford: Oxford University Press.
- Battilana, J., Kimsey, M., Paetzold, F. & Zogbi, P. (2017). Vox Capital: Pioneering Impact Investing in Brazil. Harvard Business School Case 417-051. (Revised January 2018.) Boston, MA: Harvard Business School Publishing.
- Battilana, J. & Lee, M. (2014). Advancing Research on Hybrid Organizing: Insights from the Study of Social Enterprises. *Academy of Management Annals*, 8(1), 397-441.
- Battilana, J., Lee, M., Walker, J. & Dorsey, C. (2012). In Search of the Hybrid Ideal. *Stanford Social Innovation Review*, 10(3), 51-55.
- Battilana, J., Sengul, M., Pache, A.-C. & Model, J. (2015). Harnessing Productive Tensions in Hybrid Organizations: The Case of Work Integration Social Enterprises. *Academy of Management Journal*, 58(6), 1658-1685.
- Ben-Ner, A. (2002). The Shifting Boundaries of the Mixed Economy and the Future of the Nonprofit Sector. *Annals of Public and Cooperative Economics*, 73(1), 5-40.
- Besharov, M.L. (2008). Mission Goes Corporate: Understanding Employee Behavior in a Mission-Driven Business. Doctoral Dissertation. Boston, MA: Harvard University.

- Besharov, M.L. (2014). The Relational Ecology of Identification: How Organizational Identification Emerges When Individuals Hold Divergent Values. *Academy of Management Journal*, 57(5), 1485-1512.
- Besharov, M.L. & Smith, W.K. (2014). Multiple Institutional Logics in Organizations: Explaining Their Varied Nature and Implications. *Academy of Management Review*, 39(3), 364-381.
- Billis, D. (2010), *Hybrid Organizations and the Third Sector: Challenges for Practice, Theory and Policy*, Basingstoke, UK: Palgrave Macmillan.
- Boltanski L. & Chiapello E. (1999), *Le nouvel esprit du capitalisme*, Paris: Gallimard.
- Boltanski, L. & Thévenot, L. (2006), *On Justification: Economies of Worth. Princeton Studies in Cultural Sociology*, Translated by C. Porter. Princeton: Princeton University Press.
- Bourdieu, P. (1977), *Outline of a Theory of Practice*, Cambridge: Cambridge University Press.
- Bovais, H. (2014). Le pluralisme intégré, pierre angulaire des organisations hybrides. *Revue française de gestion*, 3, 97-114.
- Boyd, B. (2009), *Hybrid Organizations: New Business Models for Environmental Leadership*, Sheffield, UK: Greenleaf Publishing.
- Brakman Reiser, D. & Dean, S.A. (2017), *Social Enterprise Law: Trust, Public Benefit and Capital Markets*, New York, NY: Oxford University Press.
- Brest, P. & Born, K. (2013). When Can Impact Investing Create Real Impact? *Stanford Social Innovation Review*, 11(4), 22-31.
- Bugg-Levine, A. & Emerson, J. (2011), *Impact Investing: Transforming How We Make Money While Making a Difference*. San Francisco, CA: Jossey-Bass.
- Burton, M.D. (2001). The Company They Keep: Founders' Models for Organizing New Firms. In C.B. Schoonhoven & E. Romanelli (Eds.), *The Entrepreneurship Dynamic* (pp. 13-39). Stanford, CA: Stanford University Press.
- Canales, R. (2014). Weaving Straw into Gold: Managing Organizational Tensions between Standardization and Flexibility in Microfinance. *Organization Science*, 25(1), 1-28.
- Caringal-Go, J.F. & Hechanova, M.R.M. Motivational Needs and Intent to Stay of Social Enterprise Workers. *Journal of Social Entrepreneurship*, Advance online publication, doi.org/10.1080/19420676.2018.1468352
- Caudron, S. (1997). The Search for Meaning at Work. *Training & Development*, 51(9), 24-27.
- Chandler, D. (2014). Morals, Markets, and Values-Based Businesses. *Academy of Management Review*, 39(3), 396-406.
- Château Terrisse, P. (2012). Le dispositif de gestion des organisations hybrides, régulateur de logiques institutionnelles hétérogènes? Le cas du capital-risque solidaire. *Management & Avenir*, 54(4), 145-167.
- Chiapello, E. & Gilbert, P. (2013), *Sociologie des outils de gestion*, Paris: La Découverte.
- Christen, R.P. & Drake, D. (2002). Commercialization: The New Reality of Microfinance. In D. Drake & E. Rhyne (Eds.), *The Commercialization of Microfinance, Balancing Business and Development* (pp. 2-22). Bloomfield, CT: Kumarian Press.
- Cobb, J.A., Wry, T. & Zhao, E.Y. (2016). Funding Financial Inclusion: Institutional Logics and the Contextual Contingency of Funding for Microfinance Organizations. *Academy of Management Journal*, 59(6), 2103-2131.
- Conger, M., McMullen, J.S., Bergman Jr., B.J. & York, J.G. (2018). Category Membership, Identity Control, and the Reevaluation of Prosocial Opportunities. *Journal of Business Venturing*, 33(2), 179-206.
- Cornforth, C. (Ed.) (2003). *The Governance of Public and Non-Profit Organizations*. London, UK, and New York, NY: Routledge.
- Costa, E., Ramus, T. & Andraeus, M. (2011). Accountability as a Managerial Tool in Non-Profit Organizations: Evidence from Italian CSVs. *Voluntas*, 22(3), 470-493.
- Cyert, R.M. & March, J.G. (1963), *A Behavioral Theory of the Firm*, Englewood Cliffs, NJ: Prentice-Hall.
- Dacin, M.T., Dacin, P.A. & Tracey, P. (2011). Social Entrepreneurship: A Critique and Social Directions. *Organization Science*, 22(5), 1203-1213.
- Daudigeos, T. & Valiorgue, B. (2018). On Objects and Material Devices in the Organisational Responses to Institutional Pluralism: Insights from Economies of Worth. *Management International*, 22(3), 121-128
- Dean, T.J. & McMullen, J.S. (2007). Toward a Theory of Sustainable Entrepreneurship: Reducing Environmental Degradation through Entrepreneurial Action. *Journal of Business Venturing*, 22(1), 50-76.
- Deaton, A. (2013), *The Great Escape: Health, Wealth, and the Origins of Inequality*, Princeton, NJ: Princeton University Press.
- Dees, J.G. (1998). Enterprising Nonprofits. *Harvard Business Review*, 76(2), 55-67.
- Dees, J.G. (2001). Mobilizing Resources. In J.G. Dees, J. Emerson & P. Economy (Eds.), *Enterprising Nonprofits* (pp. 63-102). New York, NY: John Wiley & Sons.
- Dees, J. G., & Anderson, B. B. (2004). Sector-bending: Blurring the lines between nonprofit and for-profit. In P. Frumkin & J. B. Imber (Eds.), *In search of the nonprofit sector* (pp. 51-72). New Brunswick, NJ: Transaction Publishers. Defourny,
- J. & Nyssens, M. (2006). Defining Social Enterprise. In M. Nyssens (Ed.), *Social Enterprise: At the Crossroads of Market, Public Policies and Civil Society* (pp. 3-27). London, UK, and New York, NY: Routledge.
- DiMaggio, P.J. & Powell, W.W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48(2), 147-160.
- Dimitriadis, S., Lee, M., Ramarajan, L. & Battilana, J. (2017). Blurring the Boundaries: The Interplay of Gender and Local Communities in the Commercialization of Social Ventures. *Organization Science*, 28(5), 819-839.

- Dokko, G., Wilk, S.L. & Rothbard, N.P. (2009). Unpacking Prior Experience: How Career History Affects Job Performance. *Organization Science*, 20(1), 51-68.
- Dorado, S. (2006). Social Entrepreneurial Ventures: Different Values So Different Process of Creation, No? *Journal of Developmental Entrepreneurship*, 11(4), 319-343.
- Douglas, M.T. (1986), *How Institutions Think*, Syracuse, NY: Syracuse University Press.
- Dutton, J.E., Roberts, L.M. & Bednar, J. (2010). Pathways for Positive Identity Construction at Work: Four Types of Positive Identity and the Building of Social Resources. *Academy of Management Review*, 35(2), 265-293.
- Eagly, A.H. & Karau, S.J. (2002). Role Congruity Theory of Prejudice toward Female Leaders. *Psychological Review*, 109(3), 573-598.
- Eagly, A.H. & Steffen, V.J. (1984). Gender Stereotypes Stem from the Distribution of Women and Men into Social Roles. *Journal of Personality and Social Psychology*, 46(4), 735-754.
- Ebrahim, A. (2019), *Measuring Social Change: How to Design Systems for High Performance and Accountability*. Stanford, CA: Stanford University Press, Advance online publication, www.sup.org/books/title/?id=27990
- Ebrahim, A., Battilana, J. & Mair, J. (2014). The Governance of Social Enterprises: Mission Drift and Accountability Challenges in Hybrid Organizations. *Research in Organizational Behavior*, 34, 81-100.
- Ebrahim, A. & Rangan, V.K. (2010). Putting the Brakes on Impact: A Contingency Framework for Measuring Social Performance. *Academy of Management Proceedings*.
- Eikenberry, A.M. (2009). Refusing the Market: A Democratic Discourse for Voluntary and Nonprofit Organizations. *Nonprofit and Voluntary Sector Quarterly*, 38(4), 582-596.
- Espeland, W.N. & Stevens M.L. (1998). Commensuration as a Social Process. *Annual Review of Sociology*, 24(1), 313-343.
- Ethiraj, S.K. & Levinthal, D. (2009). Hoping for A to Z While Rewarding Only A: Complex Organizations and Multiple Goals. *Organization Science*, 20(1), 4-21.
- European Commission (2015). *A Map of Social Enterprises and Their Ecosystems in Europe*. Luxembourg: Publications Office of the European Union.
- Fauchart, E. & Gruber, M. (2011). Darwinians, Communitarians, and Missionaries: The Role of Founder Identity in Entrepreneurship. *Academy of Management Journal*, 54(5), 935-957.
- Feldman, D.C. (1976). A Contingency Theory of Socialization. *Administrative Science Quarterly*, 21(3), 433-452.
- Feldman, D.C. (2002). Managers' Propensity to Work Longer Hours: A Multilevel Analysis. *Human Resource Management Review*, 12(3), 339-357.
- Fiol, C.M., Pratt, M.G. & O'Connor, E.J. (2009). Managing Intractable Identity Conflicts. *Academy of Management Review*, 34(1), 32-55.
- Fonteyne W. (2007). *Cooperative Banks in Europe: Policy Issues*. IMF Working Paper 07/159. Washington, DC: International Monetary Fund.
- Foreman, P. & Whetten, D.A. (2002). Members' Identification with Multiple-Identity Organizations. *Organization Science*, 13(6), 618-635.
- Friedland, R. & Alford, R.R. (1991). Bringing Society Back In: Symbols, Practices, and Institutional Contradictions. In W.W. Powell & P. J. DiMaggio (Eds.), *The New Institutionalism in Organizational Analysis* (pp. 232-266). Chicago, IL: University of Chicago Press.
- Friedman, M. (1970). The Social Responsibility of Business Is to Increase Its Profits. *New York Times Magazine*, September 13.
- Galaskiewicz, J. & Barringer, S.N. (2012). Social Enterprises and Social Categories. In B. Gidron & Y. Hasenfeld (Eds.), *Social Enterprises: An Organizational Perspective* (pp. 47-70). Basingstoke, UK: Palgrave Macmillan.
- Galbraith, J.R. (1977), *Organization Design*, Reading, MA: Addison-Wesley.
- Gavetti, G., Levinthal, D. & Ocasio, W. (2007). Perspective—Neo-Carnegie: The Carnegie School's Past, Present, and Reconstructing for the Future. *Organization Science*, 18(3), 523-526.
- Gehman, J. & Grimes, M. (2017). Hidden Badge of Honor: How Contextual Distinctiveness Affects Category Promotion among Certified B Corporations. *Academy of Management Journal*, 60(6), 2294-2320.
- Glynn, M.A. (2000). When Cymbals Become Symbols: Conflict over Organizational Identity within a Symphony Orchestra. *Organization Science*, 11(3), 285-298.
- Gómez, L.F. (2009). Time to Socialize: Organizational Socialization Structures and Temporality. *Journal of Business Communication*, 46(2), 179-207.
- Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E.R. & Lounsbury, M. (2011). Institutional Complexity and Organizational Responses. *Academy of Management Annals*, 5(1), 317-371.
- Grenier, C. & Bernardini-Perinciolo, J. (2015). Le manager hybride, acteur-passeur et acteur-clôture aux frontières institutionnelles. *Revue française de gestion*, 5, 125-138.
- Grimes, M. (2018). The Pivot: How Founders Respond to Feedback through Idea and Identity Work. *Academy of Management Journal*, 61(5), 1692-1717.
- Grimes, M., Williams, T. & Zhao, E.Y. (2018). Anchors Aweigh: The Sources, Variety, and Challenges of Mission Drift. *Academy of Management Review* Advance online publication, doi.org/10.5465/amr.2017.0254
- Gruber, M., MacMillan, I.C. & Thompson, J.D. (2012). From Minds to Markets: How Human Capital Endowments Shape Market Opportunity Identification of Technology Start-Ups. *Journal of Management*, 38(5), 1421-1449.
- Haight, C. (2011). The Problem with Fair Trade Coffee. *Stanford Social Innovation Review*, 3, 74-79.
- Halpern, R.P. (2006), *Workforce Issues in the Nonprofit Sector: Generational Leadership Change and Diversity*, Kansas City, MO: American Humanics.

- Haveman, H.A. & Rao, H. (2006). Hybrid Forms and the Evolution of Thrifts. *American Behavioral Scientist*, 49(7), 974-986.
- Heaphy, E. (2013). Repairing Breaches with Rules: Maintaining Institutions in the Face of Everyday Disruptions. *Organization Science*, 24(5), 1291-1315.
- Heilman, M.E., Block, C.J., Martell, R.F. & Simon, M.C. (1989). Has Anything Changed? Current Characterizations of Men, Women, and Managers. *Journal of Applied Psychology*, 74(6), 935-942.
- Henderson, R. & Van den Steen, E. (2015). Why Do Firms Have "Purpose"? The Firm's Role as a Carrier of Identity and Reputation. *American Economic Review: Papers and Proceedings*, 105(5), 326-330.
- Higgins, M.C. (2005). *Career Imprints: Creating Leaders across an Industry San Francisco, CA*: Jossey-Bass.
- Höchstädter, A.K. & Scheck, B. (2015). What's in a Name: An Analysis of Impact Investing Understandings by Academics and Practitioners. *Journal of Business Ethics*, 132(2), 449-475.
- Hoffman, A.J., Badiane, K.K. & Haigh, N. (2012). Hybrid Organizations as Agents of Positive Social Change: Bridging the For-Profit and Non-Profit Divide. In K. Golden-Biddle & J.E. Dutton (Eds.), *Using a Positive Lens to Explore Social Change and Organizations: Building a Theoretical and Research Foundation* (pp. 131-153). New York, NY: Routledge.
- Hsu, G. (2006). Jacks of All Trades and Masters of None: Audiences' Reactions to Spanning Genres in Feature Film Production. *Administrative Science Quarterly*, 51(3), 420-450.
- Hsu, G., Koçak, Ö. & Hannan, M.T. (2009). Multiple Category Memberships in Markets: An Integrative Theory and Two Empirical Tests. *American Sociological Review*, 74(1), 150-169.
- Hwang, H. & Powell, W.W. (2009). The Rationalization of Charity: The Influences of Professionalism in the Nonprofit Sector. *Administrative Science Quarterly*, 54(2), 268-298.
- Ioannou, I. & Serafeim, G. (2015). The Impact of Corporate Social Responsibility on Investment Recommendations: Analysts' Perceptions and Shifting Institutional Logics. *Strategic Management Journal*, 36(7), 1053-1081.
- Jarzabkowski, P., Smets, M., Bednarek, R., Burke, G. & Spee, P. (2013). Institutional Ambidexterity: Leveraging Institutional Complexity in Practice. In M. Lounsbury & E. Boxenbaum (Eds.), *Institutional Logics in Action, Part B, Research in the Sociology of Organizations*, vol. 39b (pp. 37-61). Bingley, UK: Emerald Group Publishing.
- Jaumier, S., Daudigeos, T. & Joannidès de Lautour, V. (2017). Co-Operatives, Compromises, and Critiques: What Do French Co-Operators Tell Us about Individual Responses to Pluralism? In C. Cloutier, J.P. Gond & B. Leca (Eds.), *Justification, Evaluation and Critique in the Study of Organizations: Contributions from French Pragmatist Sociology* (pp. 73-106). Bingley, UK: Emerald Group Publishing.
- Jay, J. (2013). Navigating Paradox as a Mechanism of Change and Innovation in Hybrid Organizations. *Academy of Management Journal*, 56(1), 137-159.
- Jensen, M.C. (2002). Value Maximization, Stakeholder Theory, and the Corporate Objective Function. *Business Ethics Quarterly*, 12(2), 235-256.
- Jones, G.R. (1986). Socialization Tactics, Self-Efficacy, and Newcomers' Adjustments to Organizations. *Academy of Management Journal*, 29(2), 262-279.
- Jones, M.B. (2007). The Multiple Sources of Mission Drift. *Nonprofit and Voluntary Sector Quarterly*, 36(2), 299-307.
- Jones, T.M., Donaldson, T., Freeman, R.E., Harrison, J.S., Leana, C.R., Mahoney, J.T. & Pearce, J.L. (2016). Management Theory and Social Welfare: Contributions and Challenges. *Academy of Management Review*, 41(2), 216-228.
- Kaplan, S. & Orlikowski, W.J. (2013). Temporal Work in Strategy Making. *Organization Science*, 24(4), 965-995.
- Kerlin, J.A. & Pollak, T.H. (2011). Nonprofit Commercial Revenue: A Replacement for Declining Government Grants and Private Contributions? *American Review of Public Administration*, 41(6), 686-704.
- Kim, A., Bansal, P. & Haugh, H. (2018). No Time Like the Present: How a Present Time Perspective Can Foster Sustainable Development. *Academy of Management Journal*, Advance online publication, doi.org/10.5465/amj.2015.1295
- Kraatz, M. & Block, E. (2008). Organizational Implications of Institutional Pluralism. In R. Greenwood, C. Oliver, R. Suddaby & K. Sahlin-Andersson (Eds.), *The SAGE Handbook of Organizational Institutionalism* (pp. 243-276). London, UK: SAGE.
- Lallemand-Stempak, N. (2017). Rethinking Hybrids' Challenges: The Case of French Mutual Insurance Companies. *M@n@gement*, 20(4), 336-367.
- Lamont, M. (2018). Addressing Recognition Gaps: Destigmatization and the Reduction of Inequality. *American Sociological Review*, 83(3), 419-444.
- Lawrence, P.R. & Lorsch, J.W. (1967). *Organization and Environment: Managing Differentiation and Integration*, Boston, MA: Harvard University.
- Lee, M. (2014). Mission and Markets? The Viability of Hybrid Social Ventures. *Academy of Management Proceedings*.
- Lee, M. & Battilana, J. (2018). Experience Matters: Vicarious and Experiential Imprinting and the Founding of Hybrid Social Ventures. Working Paper.
- Lee, M., Battilana, J. & Wang, T. (2014). Building an Infrastructure for Empirical Research Methods: Challenges and Opportunities. In J.C. Short, D.J. Ketchen & D.D. Bergh (Eds.), *Social Entrepreneurship and Research Methods*, vol. 9 (pp. 241-264). Bingley, UK: Emerald Group Publishing.
- Lee, M. & Jay, J. (2015). Strategic Responses to Hybrid Social Ventures. *California Management Review*, 57(3), 126-148.

- Lonceint, R. (2017). Gérer collectivement les tensions organisationnelles du travail: les stratégies d'articulation des logiques de soin et de radioprotection en médecine nucléaire. *RIMHE: Revue Interdisciplinaire Management, Homme & Entreprise*, 1(25), 29-50.
- Low, C. (2011). The Interaction of Macro and Micro Level Factors in Hybrid Formation: A Case Study of Governance Challenges of Social Enterprise in Health and Social Care. Paper presented at the CSI Symposium Governance and Leadership in Hybrid Organizations, Heidelberg, Germany.
- Lucas, J.W. (2003). Status Processes and the Institutionalization of Women as Leaders. *American Sociological Review*, 68(3), 464-480.
- Mair, J. (2010). Social Entrepreneurship: Taking Stock and Looking Ahead. In A. Fayolle & H. Matlay (Eds.), *Handbook of Research and Social Entrepreneurship* (pp. 15-28). Cheltenham, UK: Edward Elgar.
- Mair, J. & Marti, I. (2006). Social Entrepreneurship Research: A Source of Explanation, Prediction, and Delight. *Journal of World Business*, 41(1), 36-44.
- Mair, J., Mayer, J. & Lutz, E. (2015). Navigating Institutional Plurality: Organizational Governance in Hybrid Organizations. *Organization Studies*, 36(6), 713-739.
- Mair, J., Wolf, M. & Seelos, C. (2016). Scaffolding: A Process of Transforming Patterns of Inequality in Small-Scale Societies. *Academy of Management Journal*, 59(6), 2021-2044.
- Malm, A. (2016), *Fossil Capital: The Rise of Steam-Power and the Roots of Global Warming*, London and New York, NY: Verso.
- March, J.G. & Simon, H.A. (1958), *Organizations*, New York, NY: Wiley.
- Margolis, J.D. & Walsh, J.P. (2003). Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*, 48(2), 268-305.
- Marquis, C. & Qian, C. (2014). Corporate Social Responsibility Reporting in China: Symbol or Substance? *Organization Science*, 25(1), 127-148.
- Marquis, C., Toffel, M.W. & Zhou, Y. (2016). Scrutiny, Norms, and Selective Disclosure: A Global Study of Greenwashing. *Organization Science*, 27(2), 483-504.
- McCarthy, K.D. (2001), *Women, Philanthropy, and Civil Society*, Bloomington, IN: Indiana University Press.
- McMullen, J.S. & Warnick, B.J. (2016). Should We Require Every New Venture to Be a Hybrid Organization? *Journal of Management Studies*, 53(4), 630-662.
- Mersland, R. & Strøm, R.Ø. (2010). Microfinance Mission Drift? *World Development*, 38(1), 28-36.
- Meyer, R.L. (2002). The Demand for Flexible Microfinance Products: Lessons from Bangladesh. *Journal of International Development*, 14(3), 351-368.
- Minkoff, D.C. & Powell, W.W. (2006). Nonprofit Mission: Constancy, Responsiveness, or Deflection? In W.W. Powell & R. Steinberg (Eds.), *The Nonprofit Sector: A Research Handbook* (pp. 591-611). New Haven, CT: Yale University Press.
- Mintzberg, H. (1979), *The Structuring of Organizations: A Synthesis of the Research*, Englewood Cliffs, NJ: Prentice-Hall.
- Mitchell, R.K., Weaver, G.R., Agle, B.R., Bailey, A.D. & Carlson, J. (2016). Stakeholder Agency and Social Welfare: Pluralism and Decision Making in the Multi-Objective Corporation. *Academy of Management Review*, 41(2), 252-275.
- Moizer, J. & Tracey, P. (2010). Strategy Making in Social Enterprise: The Role of Resource Allocation and Its Effects on Organizational Sustainability. *Systems Research and Behavioral Science*, 27(3), 252-266.
- Monks, R.A. & Minow, N. (1996), *Watching the Watchers: Corporate Governance for the 21st Century*, Cambridge, MA, and Oxford, UK: Blackwell.
- Moore, J.W., (Ed.) (2016). *Anthropocene or Capitalocene? Nature, History, and the Crisis of Capitalism*. Oakland, CA: PM Press.
- Nason, R.S., Bacq, S. & Gras, D. (2018). A Behavioral Theory of Social Performance: Social Identity and Stakeholder Expectations. *Academy of Management Review*, 43(2), 259-283.
- Nicholls, A. (2010). Fair Trade: Towards an Economics of Virtue. *Journal of Business Ethics*, 92(2), 241-255.
- Notat, N. & Senard J.D. (2018). L'entreprise objet d'intérêt collectif. Report to Ministres de la transition écologique et solidaire, de la justice, de l'économie et des finances du travail.
- Odendahl, T. & O'Neill, M. (1994), *Women and Power in the Nonprofit Sector*, San Francisco, CA: Jossey-Bass.
- Pache, A.-C., Battilana, J. & Spencer, C. (2018). Keeping an Eye on Two Goals: Governance and Organizational Attention in Hybrid Organizations. Working Paper.
- Pache, A.-C. & Santos, F. (2010). When Worlds Collide: The Internal Dynamics of Organizational Responses to Conflicting Institutional Demands. *Academy of Management Review*, 35(3), 455-476.
- Pache, A.-C. & Santos, F. (2013). Inside the Hybrid Organization: Selective Coupling as a Response to Competing Institutional Logics. *Academy of Management Journal*, 56(4), 972-1001.
- Paton, R. (2003), *Managing and Measuring Social Enterprises*, London, UK: SAGE.
- Phillips, D.J. (2005). Organizational Genealogies and the Persistence of Gender Inequality: The Case of Silicon Valley Law Firms. *Administrative Science Quarterly*, 50(3), 440-472.
- Piketty, T. (2014), *Capital in the Twenty-First Century*, Boston, MA: Harvard University Press.
- Poldner, K., Shrivastava, P. & Branzei, O. (2017). Embodied Multi-Discursivity: An Aesthetic Process Approach to Sustainable Entrepreneurship. *Business and Society*, 56(2), 214-252.
- Powell, W.W. & Sandholtz, K.W. (2012). Amphibious Entrepreneurs and the Emergence of Organizational Forms. *Strategic Entrepreneurship Journal*, 6(2), 94-115.

- Pratt, M.G. (2000). The Good, the Bad, and the Ambivalent: Managing Identification among Amway Distributors. *Administrative Science Quarterly*, 45(3), 456-493.
- Pratt, M.G. & Foreman, P.O. (2000). Classifying Managerial Responses to Multiple Organizational Identities. *Academy of Management Review*, 25(1), 18-42.
- Quélin, B.V., Kivleniece, I. & Lazzarini, S. (2017). Public-Private Collaboration, Hybridity and Social Value: Towards New Theoretical Perspectives. *Journal of Management Studies*, 54(6), 763-792.
- Ramus, T.A., Vaccaro, A. & Brusoni, S. (2017). Institutional Complexity in Turbulent Times: Formalization, Collaboration, and the Emergence of Blended Logics. *Academy of Management Journal*, 60(4), 1253-1284.
- Renaud, A. (2017). L'audit environnemental: Un dispositif de gestion à l'épreuve de logiques institutionnelles hétérogènes. *Finance Contrôle Stratégie*, 20(3), 103-136.
- Robinson, J. (2006). Navigating Social and Institutional Barriers to Markets: How Social Entrepreneurs Identify and Evaluate Opportunities. In J. Mair, J. Robinson & K. Hockerts (Eds.), *Social Entrepreneurship* (pp. 95-120). London, UK: Palgrave Macmillan.
- Ruef, M. & Patterson, K. (2009). Credit and Classification: The Impact of Industry Boundaries in Nineteenth-Century America. *Administrative Science Quarterly*, 54(3), 486-520.
- Saebi, T., Foss, N.J. & Linder, S. (2018). Social Entrepreneurship Research: Past Achievements and Future Promises. *Journal of Management*, Advance online publication, doi.org/10.1177%2F0149206318793196
- Saks, A.M. & Ashforth, B.E. (1997). Organizational Socialization: Making Sense of the Past and Present as a Prologue for the Future. *Journal of Vocational Behavior*, 51(2), 234-279.
- Schein, E. (2010), *Organizational Culture and Leadership*, San Francisco, CA: Jossey-Bass.
- Schneiberg, M., King, M. & Smith, T. (2008). Social Movements and Organizational Form: Cooperative Alternatives to Corporations in the American Insurance, Dairy, and Grain Industries. *American Sociological Review*, 73(4), 635-667.
- Selznick, P. (1949), *TVA and the Grass Roots: A Study in the Sociology of Formal Organization Berkeley*, CA: University of California Press.
- Selznick, P. (1957), *Leadership in Administration: A Sociological Interpretation*, New York, NY: Harper & Row.
- Short, J.C., Moss, T.W. & Lumpkin, G.T. (2009). Research in Social Entrepreneurship: Past Contributions and Future Opportunities. *Strategic Entrepreneurship Journal*, 3(2), 161-194.
- Simon, H. A. (1947), *Administrative Behavior*, New York, NY: Macmillan.
- Smets, M., Jarzabkowski, P., Burke, G.T. & Spee, P. 2015. Reinsurance Trading in Lloyd's of London: Balancing Conflicting-yet-Complementary Logics in Practice. *Academy of Management Journal*, 58(3), 932-970.
- Smets, M., Morris, T. & Greenwood, R. (2012). From Practice to Field: A Multilevel Model of Practice-Driven Institutional Change. *Academy of Management Journal*, 55(4), 877-904.
- Smith, W.K. & Besharov, M.L. (2017). Bowing before Dual Gods: How Structured Flexibility Sustains Organizational Hybridity. *Administrative Science Quarterly*, Advance online publication, doi.org/10.1177%2F0001839217750826
- Smith, W.K., Besharov, M.L., Wessels, A.K. & Chertok, M. (2012). A Paradoxical Leadership Model for Social Entrepreneurs: Challenges, Leadership Skills, and Pedagogical Tools for Managing Social and Commercial Demands. *Academy of Management Learning and Education*, 11(3), 463-478.
- Smith, W.K., Gonin, M. & Besharov, M.L. (2013). Managing Social-Business Tensions: A Review and Research Agenda for Social Enterprise. *Business Ethics Quarterly*, 23(3), 407-442.
- Stark, D. (2009), *The Sense of Dissonance: Accounts of Worth in Economic Life*, Princeton, NJ: Princeton University Press.
- Steffen, W., Crutzen, P.J. & McNeill, J.R. (2007). The Anthropocene: Are Humans Now Overwhelming the Great Forces of Nature? *Ambio*, 36(8), 614-621.
- Stiglitz, J.E. (2012), *The Price of Inequality: How Today's Divided Society Endangers Our Future*, New York, NY: W.W. Norton & Company.
- Suchman, M.C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *Academy of Management Review*, 20(3), 571-610.
- Themudo, N.S. (2009). Gender and the Nonprofit Sector. *Nonprofit and Voluntary Sector Quarterly*, 38(4), 663-683.
- Thompson, J.A. & Bunderson, J.S. (2003). Violations of Principle: Ideological Currency in the Psychological Contract. *Academy of Management Review*, 28(4), 571-586.
- Thornton, P.H., Ocasio, W. & Lounsbury, M. (2012), *The Institutional Logics Perspective: A New Approach to Culture, Structure and Process*, Oxford, UK: Oxford University Press.
- Tilcsik, A. (2014). Imprint-Environment Fit and Performance: How Organizational Munificence at the Time of Hire Affects Subsequent Job Performance. *Administrative Science Quarterly*, 59(4), 639-668.
- Tracey, P., Phillips, N. & Jarvis, O. (2011). Bridging Institutional Entrepreneurship and the Creation of New Organizational Forms: A Multilevel Model. *Organization Science*, 22(1), 60-80.
- Triponel, A. & Agapitova, N. (2017), *Legal Frameworks for Social Enterprise: Lessons from a Comparative Study of Italy, Malaysia, South Korea, United Kingdom, and United States*, Washington, DC: World Bank Group.
- Valiorgue B. & Bagues Bourlier, E. (forthcoming). Maintenance and Creation of Roles during Socialization Processes in Entrepreneurial Small Firms: An Institutional Work Perspective. *M@n@gement*.
- Van Maanen, J. & Schein, E.H. (1979). Toward a Theory of Organizational Socialization. *Research in Organizational Behavior*, 1, 209-264.

- Wang, H., Tong, L., Takeuchi, R. & George, G. (2016). Corporate Social Responsibility: An Overview and New Research Directions. *Academy of Management Journal*, 59(2), 534-544.
- Wang, L. & Pratt, M.G. (2008). An Identity-Based View of Emotional Ambivalence and Its Management in Organizations. In N. Ashkanasy & C. Cooper (Eds.), *Research Companion to Emotion in Organizations* (pp. 589-604). Northampton, MA: Elgar.
- Weber, M. (1904), *The Protestant Ethic and the Spirit of Capitalism*, New York, NY: Scribner.
- Weisbrod, B. (2004). The Pitfalls of Profits. *Stanford Social Innovation Review*, 2(3), 40-47.
- Wry, T. & York, J.G. (2017). An Identity-Based Approach to Social Enterprise. *Academy of Management Review*, 42(3), 437-460.
- Wry, T. & Zhao, E.Y. (2018). Taking Trade-offs Seriously: Examining the Contextually Contingent Relationship Between Social Outreach Intensity and Financial Sustainability in Global Microfinance. *Organization Science*, 29(3), 507-528.
- Yan, S., Ferraro, F. & Almandoz, J. (2018). The Rise of Socially Responsible Investment Funds: The Paradoxical Role of the Financial Logic. *Administrative Science Quarterly*, Advance online publication, doi.org/10.1177/0001839218773324
- York, J.G., Hargrave, T.J. & Pacheco, D.F.P. (2016). Converging Winds: Logic Hybridization in the Colorado Wind Energy Field. *Academy of Management Journal*, 59(2), 579-610.
- Young, D.R. (1998). Commercialism in Nonprofit Social Service Associations: Its Character, Significance, and Rationale. *Journal of Policy Analysis and Management*, 17(2), 278-297.
- Yunus, M. (1999), *Banker to the Poor: Micro-Lending and the Battle against World Poverty*, New York, NY: PublicAffairs.
- Zilber, T.B. (2002). Institutionalization as an Interplay between Actions, Meanings, and Actors: The Case of a Rape Crisis Center in Israel. *Academy of Management Journal*, 45(1), 234-254.
- Zuckerman, E.W. (1999). The Categorical Imperative: Securities Analysts and the Illegitimacy Discount. *American Journal of Sociology*, 104(5), 1398-1438.

Julie Battilana is a Professor of Business Administration at Harvard Business School and the Alan L. Gleitsman Professor of Social Innovation at the Harvard Kennedy School. Her research examines hybrid organizations that pursue a social mission while engaging in commercial activities to sustain their operations. Her work aims to understand how these hybrids can sustainably pursue social and commercial goals and how they can achieve high levels of both social and commercial performance. Her work has been published in the *Academy of Management Annals*, *Academy of Management Journal*, *Journal of Business Ethics*, *Leadership Quarterly*, *Management Science*, *Organization*, *Organization Science*, *Organization Studies*, *Research in Organizational Behavior* and *Strategic Organization*.

Acknowledgments: I would like to thank Editor Thibault Daudigeos and Bertrand Valiorgue for their valuable comments on earlier versions of this work. I also wish to acknowledge the excellent research assistance of Marissa Kimsey and Caroline Faure. Finally, I would like to thank *M@n@gement* for permission for a version of this article to appear in French in *Entreprise et Société*.