

# Expanding the scope of paradox scholarship on social enterprise: the case for (re)introducing worker cooperatives

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**Abstract.** Over the past decade, scholars have argued for using a paradox perspective as a provocative and insightful lens for understanding social enterprises. This article addresses two gaps in this burgeoning literature. First, it expands the focus on social enterprises to include worker cooperatives, which are often overlooked but are highly relevant to this area of study. Worker cooperatives are unique among social enterprises due to their foundational principles: worker-ownership, worker-control and worker-benefit. Due to their dual nature as both a democratic association and an economic enterprise, the relationship between the cooperative's social mission and its business venture is mutually constitutive and inescapable. Second, this article calls for paradox scholarship on social enterprise to include the study of paradoxical tensions other than the conspicuous tension between financial and social performance. This article suggests broadening this focus to include the tensions between communality and individuality, hierarchy and democracy, and between 'staying alternative' and 'going mainstream'. Overall, this article seeks to construct a stronger theoretical basis on which to build future paradox research on alternatives to the dominant economic paradigm.

**Keywords:** alternative organizational models, hybrid organizations, paradox perspective, social enterprises, worker cooperatives.

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Social enterprises are hybrid organizations seeking to combine their social mission with a business venture (Battilana & Lee, 2014; Pache & Santos, 2013). They are neither typical non-profits nor typical for-profits; instead, they include aspects of both, even while they may be legally structured as one or the other (Haigh & Hoffman, 2014; Tracey & Phillips, 2007). Successful social enterprises combine the passion and values of a non-profit organization with the inventiveness and efficiency of a for-profit firm. This phenomenon may take different forms, including microfinance organizations, fair trade organizations, energy efficiency programs and work integration social enterprises (WISEs). Scholars have provided analyses of renowned social enterprises—such as Digital Divide Data, VisionSpring, BancoSol, Grameen Bank and Mobile School—that successfully combine a social mission with a business venture (Jay, 2013; Smith, Besharov, Wessels & Chertok, 2012). Generally, such social enterprises “offer a ray of hope” (Smith, Gonin & Besharov, 2013: 407) in alleviating some social problems, such as moral and financial injustice, poverty and environmental degradation (Ebrahim, Battilana & Mair, 2014).

Social enterprises have attracted a great deal of interest in recent paradox research (Jay, 2013; Michaud, 2013; Smith et al., 2012; Smith et al., 2013). Paradoxes refer to “contradictory, yet interrelated elements—elements that seem logical in isolation, but absurd and irrational when appearing simultaneously” (Lewis, 2000: 760). These elements, when found in social enterprises, are not necessarily intrinsically contradictory, but have been constructed as such by practitioners and scholars. The paradox perspective has proven to be particularly useful for studying these kinds of complex organizational phenomena (Lewis, 2000; Lewis & Smith, 2014; Schad, Lewis, Raisch & Smith, 2016). Over the past decade, paradox research has predominantly focused on understanding the nature and management of the social-economic tension within social enterprises (Michaud, 2013; Smith et al., 2013).

With this article, I hope to fill two gaps in the burgeoning paradox literature on social enterprise. First, I suggest that the paradox scholarship would benefit from focusing on a greater variety of alternative organizations, and particularly on those with a lengthy history of managing a variety of internal tensions, such as worker cooperatives (Alperovitz, 2013; Reedy & Learmonth, 2009; Wright, 2013). Worker cooperatives “have the objective of creating and maintaining sustainable jobs and generating wealth, in order to improve the quality of life of the worker-members, dignify human work, allow workers’ democratic self-management and promote community and local development” (CICOPA, 2005: 3). Like other social enterprises (Mooney, Roaring & Gray, 1996; Rothschild, 2009), worker cooperatives are often described as too business-oriented to fit in the non-profit sector and too driven by social concerns to fit in the for-profit sector (Lambri & Petrescu, 2014; Levi & Davis, 2008). Worker cooperatives pursue the objective of meeting their common economic, social and cultural needs and goals through an enterprise that features joint-ownership, democratic control and mutual benefits (International Cooperative Alliance [ICA], 2012). I therefore suggest that worker cooperatives represent a unique case of social enterprise, providing a setting suited for challenging the paradox perspective on social enterprises and expanding it to include other forms of organizations different to the dominant economic paradigm.

Second, I suggest that based on the unique case of worker cooperatives, paradox research on social enterprise would benefit from expanding its focus to different categories of paradoxes. Paradox research has thus far focused primarily on the tension between financial and social performance as the core characteristic of social enterprises (Michaud, 2013; Smith et al., 2013). However, this focus gives an incomplete picture of worker cooperatives’ paradoxical features and underestimates their inherent complexity. Many studies describe the performing paradox between a cooperative’s social mission and business venture, but offer less insight into other categories of paradoxes: belonging, organizing and learning (Smith & Lewis, 2011). Due to their fundamental dual nature as both democratic associations and economic enterprises, there is an inherent structural tension in worker cooperatives (Diamantopoulos, 2012). By this, I mean that the social mission cannot easily be discarded or rewritten according to the desires of investors or a single owner. By the very nature of their complex constitutions, worker cooperatives exist within a bundle of contradictions: that is, dynamic interplay between interdependent, pervasive and persistent oppositional forces (Stohl & Cheney, 2001; Varman & Chakrabarti, 2004).

This article is divided into three sections. In the first section, I describe why and how worker cooperatives constitute both a unique type of social enterprise and a concrete alternative to the dominant economic paradigm (Sharzer, 2016). Partly because they exemplify practices that are “simultaneously *anti-*, *despite-* and *post-* capitalist” (Chatterton & Pickerill, 2010: 488), worker cooperatives have been overlooked not only in social enterprise and paradox literature, but also in mainstream economic and business education (Hill, 2000; Kalmi, 2007). In the second section, I enrich the paradox perspective on social enterprise and other alternative organizational models by providing an equal focus on each of the four clusters of paradoxes in the study of worker cooperatives. In the last section, I suggest some potential avenues for paradox research on social enterprises and other alternative organizational models.

## **EXPANDING THE SCOPE OF SOCIAL ENTERPRISES: THE CASE FOR (RE)INTRODUCING WORKER COOPERATIVES**

Social enterprises pursue a social mission while engaging in commercial activities (Battilana & Lee, 2014; Pache & Santos, 2013), combining elements of for-profit and non-profit domains (Haigh & Hoffman, 2014). As such, they exist at the interface of markets and civil societies, and they are related to both sectors (Jäger & Schröer, 2014). While some descriptions of social enterprises in academic literature include references to worker cooperatives (Defourny & Nyssens, 2016; Nicholls, 2006; Young & Lecy, 2014), paradox scholarship barely mentions this alternative organizational phenomenon. With a few notable exceptions (Ashforth & Reingen, 2014; Michaud, 2013), paradox scholars focus on either for-profit organizations that embrace a social mission or non-profit organizations that adopt a business venture. Yet worker cooperatives combine social and business ventures in a distinct way: the relationship between social mission and business venture is mutually constitutive (Diamantopoulos, 2012). People become members of a worker cooperative in order to meet their social needs, such as employment, equity and social inclusion. The ownership structure has significant consequences for the ways by which worker cooperatives are governed and for who benefits from their activities (Stryjan, 1994). Worker-members are considered to be both owners and users of their cooperative: they contribute to the share capital and are the beneficiaries of their cooperative’s undertakings (Lambrou & Petrescu, 2014).

Structurally, a worker cooperative is the combination of two components—a democratic association and an economic enterprise—that must both be healthy for the cooperative to thrive (Diamantopoulos, 2012). As part of a democratic association, workers are represented on and vote for the board of directors, in accordance with the principle of ‘one worker, one vote.’ As part of an economic enterprise, workers own the business and participate in its financial success on the basis of their labor contribution (US Federation of Worker Cooperatives [USFWC], 2015). As Levi and Davis (2008: 2179) note, “the interplay of the two components is the *raison d’être* of the cooperative phenomenon, the source of its originality.” A democratic association devoid of entrepreneurial content or an economic enterprise devoid of non-financial priorities would render the cooperative either a non-profit or a for-profit, respectively. The ultimate challenge of any worker cooperative is to achieve a balance between the democratic association and the economic enterprise (Levi & Davis, 2008).

The social missions of worker cooperatives differ among various contexts (Pérotin, 2014), but a frequently mentioned goal is the creation of jobs for marginalized individuals who experience difficulty accessing the mainstream labor market (Gunn, 2006; Leca, Gond & Barin Cruz, 2014; Puusa, Hokkila & Varis, 2016). In the United States of America (USA), such cooperatives have proven to be an effective model for creating and maintaining dignified jobs for people lacking access to business ownership or sustainable work options, and for improving workers' quality of life by contributing to their communities' development (USFWC, 2015). These American worker cooperatives help immigrants move from the informal to the formal economy (Rothschild, 2009). In Argentina, democratic control in worker cooperatives help disrupt the gender inequalities of the larger society (Sobering, 2016), while Finnish worker cooperatives provided paid work for unemployed people during the severe recession of the 1990s (Birchall, 2003).

Cooperatives in general, and worker cooperatives in particular, are viewed as a way to organize economic activity differently than does mainstream capitalism (Hadley & Goldsmith, 1995; Sharzer, 2016) and to surmount some of its shortcomings (Cheney, 1995; Reedy & Learmonth, 2009; Wright, 2013). The International Organization of Industrial, Artisanal and Service Producers' Cooperatives (CICOPA)—which has been dedicated to the promotion of cooperatives since 1947—describes worker cooperatives as actors in “the solution of the problems of unemployment and social exclusion, and as proponents of one of the most advanced, fair and dignifying modalities of labor relations, generation and distribution of wealth, and democratization of ownership and of the economy” (CICOPA, 2005: 2). Worker cooperatives are seen as a way to bring stability to employment relationships (Pérotin, 2014; Varman & Chakrabarti, 2004) and to narrow the gap between owners and workers instead of strengthening the hierarchical structure (Ng & Ng, 2009; Pencavel, 2013).

According to Leca et al., (2014), worker cooperatives contribute to developing an alternative to capitalism in four concrete ways. First, worker cooperatives are not focused on making profits for their shareholders, but instead share the profits among their worker-members based on their labor contributions. Second, such cooperatives contrast the hierarchical authority structure characterized by the modern corporation, and are instead based on democratic governance where each member has a vote. Third, they embody the normative ideals of cooperation, with a focus on solidarity and concern for the sustainable development of the communities in which they are embedded. Fourth, they aim to emancipate their members from traditional managerial domination. Worker cooperatives show a way to reconfigure power relations in the market, as “by placing workers' needs ahead of profits, they address the root cause of economic disparity” (Dewan, 2014). Perhaps more than other typical forms of social enterprises, worker cooperatives are sometimes seen as anomalies that clash with the dominant economic paradigm (Defourny & Nyssens, 2016; Gunn, 2006; Wright, 2013).

### THREE CHARACTERISTICS OF WORKER COOPERATIVES

Although some variations exist among worker cooperatives globally due to practical adaptations to specific socio-economic and political contexts or varying aspirations of cooperators (Webster, Shaw, Stewart, Walton & Brown, 2012), three central features characterize most worker

cooperatives: they are worker-owned, worker-controlled and worker-benefiting (Dunn, 1988; Schaars, 1973). More precisely, a worker cooperative is not owned by investors but by its workers (Dunn, 1988; Hill, 2000). The first goal of a worker cooperative is to meet the needs of its worker-members through providing decent labor and working conditions. This feature distinguishes worker cooperatives from non-profit organizations, which legally have no owners, and from for-profit social businesses, which are often owned by a single individual (i.e. a social entrepreneur). A worker cooperative is based on the collectivization of capital (Gray, 2004) that then serves both the individual and communal needs of worker-members. The two other characteristics of worker cooperatives develop from this first feature (Birchall, 2011; Mikami, 2014).

Worker cooperatives are also worker-controlled. In contrast with the owners of capitalist enterprises, all worker-members in a cooperative have equal voting rights in the general assembly, despite possible disparities in their economic participation or level of involvement in the cooperative. This feature is further found in the board of directors, which is composed of worker-members elected by the general assembly. However, democratic governance does not necessarily mean that all worker-members actually participate in every decision, but instead that all worker-members have the right to participate or to be represented, especially in larger worker cooperatives. Governance is inclusive and the expression of counter-power is permitted (Meyers & Vallas, 2016). While democratic mechanisms are sometimes depicted as time-consuming and inefficient (Elster, 1989; Pencavel, 2013), there is some evidence that worker productivity is higher in worker cooperatives than in comparable capitalist firms without participatory mechanisms (Arando, Gago, Jones & Kato, 2015; Doucouliagos, 1995; Fakhfakh, Pérotin & Gago, 2013).

Third, worker cooperatives are worker-benefiting enterprises. A cooperative is a business venture—and as such is not precluded from making profit—that aims primarily to fulfill the needs of its worker-members (Hansmann, 1999; Nilsson, 2001). There are thus clear limitations on how worker cooperatives can distribute their surpluses: a limited part of the excess can be returned to worker-members, while the remaining excess is reinvested in the cooperative. Any distribution is proportionate to the members' use of the cooperative's services, and is not based on financial investment. In a worker cooperative, surpluses are distributed according to members' work, usually calculated hourly. This third characteristic differentiates cooperatives from non-profits—which cannot distribute any surplus—and from all capitalist businesses, where dividends are allocated based on one's corporate shares. Ebrahim et al. (2014) note that the primary objective of a social enterprise is to deliver social value to the beneficiaries of the social mission; in a worker cooperative, the beneficiaries of the social mission are those who own and control the organization (Rothschild, 2009).

## PREVALENCE AND IMPACT OF WORKER COOPERATIVES

Since the early 1800s, worker cooperatives have developed in many communities and regions across several continents (Jones, 1984). While some countries currently have only a few worker cooperatives (e.g. the USA, the United Kingdom), other countries have many (e.g. Spain, Italy). Currently, there are approximately 350 worker cooperatives in the USA, employing around 7000 people and generating over US\$400 million in

annual revenue. Moreover, the number of worker cooperatives in the USA has grown steadily over the past 20 years (USFWC, 2015). There are approximately 50,000 employee-owned enterprises active in 17 different EU countries employing 1.3 million workers, most of whom are worker-members. In the UK, there were 541 worker cooperatives employing 1940 workers in 2011. In the same year, the total number of worker cooperatives in Spain was 16,813, with over 203,000 worker-members; in France, there were 1902 worker cooperatives with over 40,000 worker-members (Roelants, Doygan, Eum & Terrasi, 2012).

Worker cooperatives originate from a range of situations, including factory takeovers, union-linked initiatives in sectors with high rates of retrenchments and community initiatives seeking to meet local needs. Sometimes the motivation to set up a worker cooperative is to provide jobs in a deficient labor market; at other times, as in the recent takeovers of businesses in Argentina, the motivation is to save jobs when a wider market failure has occurred (Howarth, 2007; Vieta, 2014). Worker cooperatives also help to preserve small businesses after owners retire; in 2015, over 26% of the worker cooperatives in the USA had begun as traditional for-profit enterprises (USFWC, 2015). In France between 1989 and 2010, over 700 businesses on the verge of closing were transformed into cooperatives, preserving thousands of jobs (Zevi, Zanotti, Soulage, & Zelaia, 2011). Since the early 1980s, worker-recuperated enterprises in Italy helped save or create at least 257 labor-managed firms and around 9,300 jobs (Vieta, 2015).

In Europe and the USA, worker cooperatives thrive in various industries, including accommodation and food services, manufacturing and engineering, technology, health care, and design (Roelants et al., 2012; USFWC, 2015). The largest American worker cooperative is the Cooperative Home Care Associates (CHCA), which employs over 2000 workers. In France, the worker-owned Up Group has more than 700 worker-members and provides products and services to 21.3 million users every year<sup>1</sup>. The Mondragon Corporation—Spain's tenth-largest entrepreneurial group—is one of the most outstanding examples of worker cooperatives: it includes 110 worker cooperatives and employs more than 74,000 people (Flecha & Ngai, 2014). The resilience of these large worker-owned organizations shows that alternative organizations can effectively compete against investor-owned firms (Ferretti, 2015; Storey, Basterretxea & Salaman, 2014).

In many countries, worker cooperatives experienced a lower number of shutdowns and job losses following the 2008 financial downturn than did the average enterprise (International Labour Organization [ILO], 2014). Zevi et al. (2011) suggest that two important factors explain the particularly strong resilience of worker cooperatives: their specific internal structure and the systemic environment they have constructed around themselves, which includes financial instruments and inter-enterprise networks. Because they share the responsibility and the management of their businesses, worker-members put both short- and long-term strategies into place, giving priority to safeguarding jobs and to innovating continuously (Pérotin, 2014). These strategies include the temporary reduction of salaries, technological investment, adaptation to the market and use of financial reserves (Roelants et al., 2012). Because of their flexibility, worker

1. See 2015 Annual Report: [http://up-group.coop/fileadmin/rapport\\_annuel/2015/RA\\_2015\\_EN/index.html](http://up-group.coop/fileadmin/rapport_annuel/2015/RA_2015_EN/index.html)

cooperatives succeed in areas of low labor mobility, widespread market failures, oligopoly markets and labor-intensive industries (Birchall & Ketilson, 2009; ILO, 2014; Roelants et al., 2012).

## **EXPANDING THE SCOPE OF PARADOX PERSPECTIVE ON SOCIAL ENTERPRISES: MOVING BEYOND FINANCIAL VERSUS SOCIAL PERFORMANCE**

The complexity of worker cooperatives and their efforts to create a viable alternative to investor-led capitalism make them a useful lens through which to expand the paradox perspective on social enterprise. Worker cooperatives are entangled in a bundle of tensions due to their structural nature as both economic enterprises and democratic associations (Diamantopoulos, 2012). Worker cooperatives' responses to these tensions can fundamentally determine their resilience amid the turbulent and unstable macro-societal environments in which they exist (Gertler, 2004; Harter & Krone, 2001; Storey et al., 2014). In this section, I focus on worker cooperatives' paradoxical features and responses.

Leveraging existing literature, I here define paradox as the dynamic interrelation, interplay or dialogue between interdependent, pervasive and persistent oppositional tendencies, forces or poles. This definition highlights four components of a paradox perspective. The first component is the presence of underlying tensions: elements that seem logical individually, but are inconsistent or even absurd when juxtaposed (Lewis, 2000). As specified by Smith and Tracey (2016: 457), these tensions are both contradictory (e.g. oppositional, inconsistent, conflictual) and interdependent (e.g. interrelated, synergistic, mutually constituted). The second component of this definition is that the interplay between these opposing tendencies is never extinguished nor completely resolved in favor of one pole, because both tendencies are inherent to the social fabric itself (Hernandez, 2006). Tendencies eventually assume a different shape in response to new circumstances, but each pole of a paradox needs the other to sustain its presence as they are in constant dialogue (Ashforth & Reingen, 2014; Bakhtin, 1981). The third component highlights tensions as fundamental aspects of organizational phenomena, even though they sometimes remain latent until exogenous factors or cognitive efforts stress their oppositional and relational nature (Westenholz, 1993). When they become salient, individuals experience more vividly the contradictory and inconsistent nature of these tensions (Smith & Lewis, 2011). These tensions are not evidence of failure or inadequacy; on the contrary, they are intrinsic features of a healthy organization (Harter & Krone, 2001). The fourth component is that although paradoxical tensions are often defined as conflicting forces, they do not necessarily indicate a conflict between individual or organizational actors. Conflict can also be non-antagonistic, where actors recognize the presence of important oppositional forces but do not position themselves on opposite poles (Baxter & Montgomery, 1996; Koschmann, Kuhn & Pfarrer, 2012).

Contemporary paradox scholarship is highly interested in social enterprises. This interest is partially due to the usefulness of a paradox perspective in the study of hybrid organizations, of which social enterprise is one example (Lewis & Smith, 2014). Yet the study of social enterprises by paradox scholars mostly focuses on a single characteristic: the tension between the business venture and the social mission (Ebrahim et al., 2014;

Jay, 2013; Smith et al., 2013). Social enterprises are described as caught between the competing demands of market logic and social welfare (Pache & Santos, 2013). Moreover, this economic-social duality is often depicted as the constitutive tension of social enterprises (Michaud, 2013). The challenge of managing this double bottom line—balancing commercial and social objectives—creates paradoxical tensions across the organization (Tracey & Phillips, 2007). In short, the commercial and social sides of social enterprises are contradictory and interdependent (Smith et al., 2012).

In the paradox literature, the economic-social duality falls within a category that Smith and Lewis' (2011) seminal article refers to as performing paradox (see Table 1), which involves the proper alignment and prioritization of diverse and sometimes conflicting interests. Performing tensions surface as organizations pursue varied and conflicting goals or strive to address inconsistent demands across multiple stakeholders (Smith & Lewis, 2011). They force organizations to navigate “between the differing, and often conflicting, demands of varied internal and external stakeholders” (Smith & Lewis, 2011: 384). Luscher and Lewis (2008) found that performing tensions arise when roles are morphed, blurred or multiplied in response to conflicting demands. Performing tensions also arise when various definitions of an organization's *raison d'être* contradict with one another (Andriopoulos & Lewis, 2009). Hence, social enterprises are confronted with performing tensions when they try to accomplish competing goals or work toward different visions of success and failure (Jay, 2013).

While some paradox scholars have mentioned worker cooperatives as exemplars of social enterprises (Michaud, 2013; Smith et al., 2013), they did not take advantage of the richness of this alternative organizational model to expand the paradox perspective on social enterprises by including more thoroughly the three other categories of paradox described by Smith and Lewis (2011), namely the belonging, organizing and learning paradoxes. Indeed, the peculiarity of worker cooperatives is shown in the diversity of paradoxes with which they are confronted (Table 1). Belonging paradoxes arise from opposing yet coexisting roles, aspirations and values within worker cooperatives, as well as from the tensions that proceed from the constitutive duality of worker cooperatives (Puusa et al., 2016; Stohl & Cheney, 2001). Organizing paradoxes stem from the tension between oligarchic efficiency, which often conveys the idea of control and hierarchy, and democratic accountability, which involves empowerment and collaboration (Cornforth, Thomas & Spear, 1988; Ng & Ng, 2009). Learning paradoxes result from the interplay between keeping the alternative spirit and going mainstream (Diamantopoulos, 2012; Zamagni & Zamagni, 2010). Performing paradoxes come from the interplay between the simplicity of quantitative success criteria and the complexity of qualitative success criteria (Hough, 2015; McNamara, 2015).

	BELONGING	ORGANIZING	LEARNING	PERFORMING
<b>Description</b>	« Identity fosters tensions between the individual and the collective and between competing values, roles, and memberships » (Smith & Lewis, 2011: 383)	« Structuring and leading foster collaboration and competition, empowerment and direction, and control and flexibility » (Smith & Lewis, 2011: 383)	« Efforts to adjust, renew, change, and innovate foster tensions between building upon and destroying the past to create the future » (Smith & Lewis, 2011: 383)	« Plurality fosters multiple and competing goals as stakeholders seek divergent organizational success » (Smith & Lewis, 2011: 383)
<b>Keywords</b>	Identities Roles Memberships	Structures Processes Leadership	Adjustment Adaptation Renewal	Goal Success Performance
<b>Illustrations of Dualities Linked to Each Cluster</b>	Integration vs. Separation Homogeneity vs. Heterogeneity Commitment vs. Indifference Affiliation vs. Independence	Direction vs. Empowerment Control vs. Flexibility Top-down vs. Bottom-up Vigilance vs. Trust	Certainty vs. Uncertainty Past vs. Future Stability vs. Change Predictability vs. Novelty	Simplicity vs. Complexity Objectivity vs. Subjectivity Efficiency vs. Efficacy Quantitative vs. Qualitative
<b>Dualities Central to Worker Cooperatives</b>	Communality vs. Individuality	Hierarchy vs. Democracy	Alternative vs. Mainstream	Economic vs. Social
<b>Research Questions for Social Enterprises and Other Alternative Organizational Models</b>	How can alternative organizational models foster communality and uniformity as well as individuality and diversity?	How can alternative organizational models create and sustain an effective democratic hierarchy?	How can alternative organizational models keep their alternative spirit while growing or going mainstream?	How can alternative organizational models include evaluation of their social performance at the core of their overall performance?

Table 1 - Clusters of Paradoxes : adapted from Audebrand et al. (2017)

### BELONGING PARADOXES

With regard to belonging tensions, worker cooperatives are caught between self-abnegation and communality on one side and self-interest and individuality on the other. Without individual needs and expectations, a worker would not initially be motivated to join the cooperative. Without genuine communality, a worker cooperative would not use all of its available potential for benefitting the worker-members (Puusa et al., 2016). Worker cooperatives are thus pulled in multiple and contradictory directions by their members as they strive for both affiliation with and independence from the cooperative (Briscoe, 1988; Swidler, 1979). Opposing yet coexisting roles and values within worker cooperatives highlight tensions between drives for homogeneity and heterogeneity between members (Cook & Burress, 2009). Indeed, while worker cooperatives somehow require the ‘subjugation’ of the individual member for the benefit of the whole, they also require the contributions of individual members with their distinctive personal, technical or leadership skills (Hunt, 1992; Ng & Ng, 2009). Belonging paradoxes are similar to what Stohl and Cheney (2001) describe as the paradox of identity: the basic challenges of preserving members’ individualities while they remain part of the cooperative.

Worker-members sometimes focus on the collective ownership at the expense of their individual interests. By definition, founders usually possess relatively homogeneous interests with regard to the worker cooperative (Audebrand & Malo, 2014). Worker-members from a

cooperative studied by Hunt (1992) compared their workplace to a commune rather than to a small business. This identification with a commune came with a strong cognitive and emotional bond between founding members. These founding members decided to form a collective organization and remain loyal to each other amid the unease of building an organization that comprises both a democratic association and an economic enterprise. Worker-members seeing themselves as collective owners and not merely as individual workers can produce sufficient commitment and enthusiasm to protect the worker cooperative from shutting down solely from early observations of negative economic performance (Pérotin, 2004).

In other circumstances, worker-members can choose to secure their individual identity at the expense of the collective ownership (Puusa et al., 2016; Westenholz, 1993). In such cases, the feeling of individual independence and the separation between owning and working tend to dominate feelings of commitment and affiliation (Swidler, 1979). Puusa, and al. (2016) found hardly any consideration for the communal aspect in the worker cooperatives they studied. On the contrary, they found many opportunistic reactions and various degrees of participation. Other self-centered reactions in worker cooperatives can occur over time, such as exit, secession, spin-off and individual resignation (Stohl & Cheney, 2001). With time, all worker cooperatives may expect the natural exodus of founding members as a result of retirements or longstanding disagreements (Hunt, 1992). At some point, new workers become more numerous than founding members. These new recruits are almost always selected because of a particular talent they bring to the cooperative (Cook & Burrell, 2009). Moreover, they may not have suffered from the same problems, such as some sort of discrimination or a particular market failure, that constituted a key factor in their predecessors' commitment to the collective (Hadley & Goldsmith, 1995).

If the conflict between individual and shared interests is sufficiently high, it can cause internal problems (Puusa et al., 2016). Groups of members with inconsistent identities may oppose one another, resulting in open conflict where each group defends one particular identity against 'the others' and no group succeeds in domination (Westenholz, 1999). Participatory processes may also lead to endemic interpersonal tensions, inter-team rivalry and complaints of favoritism. For instance, Hernandez (2006) notes that conflict often emerged from intense interpersonal interactions among members of the Mexican worker cooperative she studied. Varman and Chakrabarti (2004) note a similar sense of fatigue, as well as the loss of a private life, in certain high-involvement Indian worker cooperatives. Eventually, some members find collective processes too emotionally demanding and stop attending meetings altogether.

Properly balanced individual and shared goals provide a more fruitful work atmosphere and a way for worker-members to express their differences while remaining valued members of the cooperative. For this balance to materialize, 'autonomy' should not be understood from a narrow liberal-individual perspective, but rather as a collective project that shapes how worker-members live and connect with each other (Kokkininidis, 2015; Puusa et al., 2016). The challenge is to acknowledge that if workers are not encouraged to participate fully, some innovative solutions will become unfeasible (Varman & Chakrabarti, 2004). A great deal of pressure is placed on a cooperative's leaders because the skills required to lead a

worker cooperative are complex and contradictory. According to Briscoe (1988), effective cooperative leaders need to be facilitators and communicators as well as coordinators and controllers. This issue calls for management training to allow managers to educate members and to revitalize founding principles (Cornforth et al., 1988; Diamantopoulos, 2012; Long, 1982). They need to systematically (re)socialize members in the cooperative's principles, values and ideals (Varman & Chakrabarti, 2004). Effort and patience are needed to nurture and deepen participative culture and cooperative spirit (Ng & Ng, 2009).

## ORGANIZING PARADOXES

With regard to organizing tensions, worker cooperatives are also pulled between the need for hierarchical control and the need for democratic accountability (Storey et al., 2014). According to Hernandez, worker cooperatives are best understood as sites of “unresolvable contestation between oligarchic and democratic forces” (2006: 129). Worker cooperatives need to be efficient, as do all organizations, but they set out to achieve this goal within a framework of democratic accountability and member equality (Hunt, 1992). Organizing paradoxes include a tension between direction and empowerment (Varman & Chakrabarti, 2004) and enforcement and flexibility (Ng & Ng, 2009). According to Westenholz (1993), worker-members require control in order to be directive and to participate effectively.

The romanticization of both empowerment and collaborative practices is embedded in the radical participatory and egalitarian ethos espoused by some worker cooperatives (Stohl & Cheney, 2001). Worker-members can sometimes be filled with the conviction that democratic participation is nothing but supportive, empathic and participative, all of which is achieved in part by a candid disclosure of information (Audebrand & Malo, 2014). The early years of a worker cooperative are often characterized by a rejection of traditional business practices, such as the top-down hierarchical structure, and by a strong commitment to undifferentiated roles and working arrangements. This lack of traditional structure appeared in the three cooperatives studied by Hunt (1992), and all three were characterized by few rules and undifferentiated roles. The founding members did not pay much attention to how the cooperative would be managed, and the work was organized to reflect the members' social and political goals. In one worker cooperative, extended dinner conversations took the place of formal meetings. There were also frequent collective meetings and collective decision-making for all matters concerning management.

In some worker cooperatives, the demand for control and efficiency through a vertical and horizontal division of labor overshadows the demand for undifferentiated roles and working arrangements between members. In the three worker cooperatives studied by Hunt (1992), worker-members found that as the groups expanded and grew busier, the unstructured approach to organization could no longer adequately and efficiently meet individual needs. As time passed, democratic working arrangements were displaced and decision-making eventually left to professional managers. These managers then claimed they should be trusted to work untrammelled by excessive democratic control. Due to their strategic structural positions, senior managers can influence board recruitment, nomination and selection, thus reinforcing their own ideology (Cheney, 1995). When

members develop a feeling of dependence toward management—a feeling that senior managers must be trusted with full power in order to ensure the organization's survival—the forces for oligarchy successfully dominate the forces of democratic accountability (Rothschild, 2009).

Most of the time, worker-members acclimatize to a certain degree of discomfort with the imperfections of a decentralized decision-making process. However, some members may experience a dissonance between the way decision-making and power sharing are supposed to occur and the way decisions are actually made (Kokkininidis, 2015; Storey, et al, 2014). An overt clash between oligarchic efficiency and democratic accountability can affect the members' quality of life (Hernandez, 2006; Varman & Chakrabarti, 2004). At some point, previously friendly negotiations between members can lose their amiability. For example, in two cooperatives studied by Hunt (1992), decentralized decision-making created uncertainty about where and how decisions were supposed to be made. When managers take too much control over day-to-day and strategic decision-making, democratic participation may end up being restricted to relatively minor issues (Varman & Chakrabarti, 2004). Likewise, membership growth can lead to a diffusion of responsibility and an increase in the cost of gathering information (Cook & Burrell, 2009).

Worker cooperatives can find ways to build bridges between oligarchic efficiency and democratic accountability (Azkarraga, Cheney & Udaondo, 2012). Viggiani (1997) uses the expression "democratic hierarchy" to suggest the possibility of sustaining worker democracy and control while simultaneously putting hierarchies in place within a division of labor. This division can be understood as a way for workers to make decisions about and take control of their day-to-day work, thereby producing a more democratic work environment (Hunt, 1992). This reframing can provide a new interpretation of the meaning of working democratically, namely that an egalitarian worker cooperative need not always involve all of its members in every decision. This comes with an acknowledgement that worker democracy "cannot be an absolutely defined goal, tangible like the bottom line of a balance sheet, as there always remains a possibility of attaining a progressively higher state vis-à-vis an absolute ideal" (Varman & Chakrabarti, 2004: 204). The challenge is to find ways to counter—rather than reject outright—the various management functions and to recognize their relevance in the organization. Some worker cooperatives define and maintain clear limits to management's prerogatives, attempting to maintain the group's original goals. This democratic vigilance assumes particular importance when a worker cooperative adopts a growth strategy (Malo & Vézina, 2004).

## LEARNING PARADOXES

Learning tensions emerge in the negotiation between stability and change within and around worker cooperatives. This can occur, for example, with regard to technological advances, legislative action and political advocacy, as well as from being in a competitive marketplace that threatens irrelevance and a loss of opportunity for growth (Diamantopoulos, 2012). Worker cooperatives also experience tension between demands for 'staying alternative' and demands for 'going mainstream' (Zamagni & Zamagni, 2010). While it is important for worker cooperatives to nurture the core beliefs, values and practices linked to their cooperative spirit, it is also important for them to somehow adapt to and

take full advantage of the institutional environment in which they are embedded (Kokkininidis, 2015). This is the challenge of being simultaneously within and against mainstream capitalism (Leca et al., 2014).

Some worker cooperatives focus on ways to strengthen their involvement in a social movement (Develtere, 1992; Diamantopoulos, 2012) despite dwelling within the mainstream capitalist system. Being involved in a social movement is a way for worker cooperatives to stay connected both to their specific alternative ideals (Webb & Cheney, 2014) and to wider movements for economic and social transformation (Diamantopoulos, 2012). The involvement in a social movement is usually stronger among worker cooperatives experimenting with a new model (Varman & Chakrabarti, 2004): because these “inspired organizations” cannot take any context for granted, they have to create their own strategic context (Malo & Vézina, 2004). At some point, they might suggest and promote the creation of a network of like-minded organizations to accelerate the diffusion, or scaling-up, of a specific innovation or to pursue collaborative projects. Such networks enable the adaptation and spread of otherwise isolated innovations in the face of corporate domination (Harter & Krone, 2001; Schneiberg, 2013).

While some worker cooperatives find their place within the more alternative “social economy,” others are more at ease within the mainstream business sector (Mook, Whitman, Quarter & Armstrong, 2015). These worker cooperatives spend more energy on adapting to mainstream capitalism than on strengthening their affiliations with the cooperative movement. Varman and Chakrabarti (2004) note that the Indian cooperative they studied had, over time, grown in size and become somewhat disconnected from the wider movement for economic and social emancipation. This enthusiastic adoption of mainstream business practices tends to impede democratic participation (Harter & Krone, 2001), and it appears to be difficult for cooperatives to maintain core cooperative integrity while facing the challenges of globalization (Webb & Cheney, 2014; Zamagni & Zamagni, 2010). Worker cooperatives that adopt a managerialist standpoint take for granted the hierarchical society that comes with the mainstream economy and push for the adjustment to ‘objective’ environmental conditions (Develtere, 1992). They also claim that they should be free to adopt “the methods, techniques and reward systems used by their competitors in [the] capitalist industry” (Hadley & Goldsmith, 1995: 186). In the absence of sufficient countervailing pressures, the market-driven logic tends to bias cooperative leadership against joining a broader social movement (Diamantopoulos, 2012).

Developing cooperative support organizations (CSOs) at different levels is a well-known way to protect core cooperative principles from external capitalist influences (Harter & Krone, 2001; Zevi et al., 2011). CSOs help redefine the boundaries of cooperatives’ strategic context by making this context less threatening or remote. They can help advance public relations and education, solve legislative or political problems and even combat an anti-cooperative ethos among potential partners (Schneiberg, 2013). In several administrative regions in the Canadian province of Quebec, for example, Regional Development Cooperatives operate to support local cooperative development. Another example is the European Confederation of Workers’ Cooperatives, Social Cooperatives and Social and Participative Enterprises (CECOP-CICOPA), which is a

continental-level CSO that assumes research and advocacy roles. The “World Declaration on Worker Cooperatives” approved by the ICA’s General Assembly illustrates that CSOs can also work at the global level. In short, CSOs serve as “bridges,” providing a sense of continuity and helping to maintain the cooperative spirit in the face of innovation and change (Harter & Krone, 2001).

There are examples of worker cooperatives that try to reconcile their affiliation with the cooperative movement and their immersion within the capitalist ethos. For example, the Mondragon Corporation has displayed a pragmatic acceptance of the need to expand beyond national borders to protect members’ benefits (Stryjan, 1994). Flecha and Ngai’s (2014) analysis of Mondragon’s efforts to keep its cooperative values during a period of expansion focuses on two main strategies: the creation of mixed cooperatives and the extension of Mondragon’s corporate management model. Mondragon has remained devoted to its cooperative values while following global economic trends in order to stay competitive internationally. An ongoing dynamic between idealism and pragmatism thus appears to be ultimately productive (Ashforth & Reingen, 2014; Storey et al., 2014), and the challenge here is to manage capitalist influences while working to protect the cooperative identity, especially in a period of rapid growth (Webb & Cheney, 2014).

#### PERFORMING PARADOXES

Performing paradoxes in worker cooperatives arise from the tensions between financial and social performance (Varman & Chakrabarti, 2004) and between economic viability and cooperative ideals (Ashforth & Reingen, 2014). As with other social enterprises, worker cooperatives not only measure their success by their fiscal health, but also by the extent to which they are able to enhance their social mission (Diamantopoulos, 2012). As Smith et al. (2013) note, goals associated with a business venture are often depicted as straightforward—e.g. commercial success and profitability—whereas goals associated with a social mission are complex and often difficult to measure. Examples of the latter include self-esteem, health, social status, family stability and subjective well-being. While metrics used to measure the success of a business venture are usually specific, quantitative and standardized, metrics used to evaluate the progress of attaining social goals are often qualitative, ambiguous and non-standardized (Hough, 2015; McNamara, 2015).

Metrics that are quantifiable, clear and focused on short-term goals are often emphasized over those that are qualitative, ambiguous, uncertain and long-term oriented (Tischer, Yeoman, White, Nicholls & Michie, 2016). While a single focused and well-aligned economic goal can drive short-term success, it can also have negative consequences, such as missing out on democratic modernization opportunities (Diamantopoulos, 2012) and neglecting networks and strategic alliances (Harter & Krone, 2001). A preference for quantifiable metrics can lead to an obsessive focus on the business venture and the managerial ethos (Diamantopoulos, 2012). When such an ethos dominates, the overriding priority becomes the economic task of the business venture. At some point, actors with a managerial ethos—who work with competitive markets’ pressures for economic efficiency in mind—reinforce a tendency to marginalize other goals in their worker cooperative (Tischer et al., 2016). Eventually, concerns for solidarity can be

seen as a limitation in the struggle against ruthless competitors (Brown & Novkovic, 2015).

Some worker cooperatives are reluctant to use only quantifiable, clear and short-term oriented metrics (Tusz-King, 2015; Gordon-Nembhard, 2015). In new worker cooperatives, keeping the cooperative spirit is often seen as an essential goal (Audebrand & Malo, 2014). Because worker cooperatives exist for reasons beyond the fiscal bottom line, “developing a means of measuring the non-financial goals of worker cooperatives plays a key role in their success and acts as a bulwark against isomorphism within their industry” (McNamara, 2015: 148). Using the case study of Union Cab of Madison, a worker cooperative with 246 members, McNamara (2015) describes how a homemade self-evaluation method allowed the cooperative to better measure its ability to incorporate its mission and identity into its workplace and policies. Similarly, Hough (2015) discusses the use of the *Co-op Index* by worker cooperatives seeking to measure their participatory practices and adherence to cooperative identity. The *Co-op Index* identifies the ‘ideal characteristics’ through which a worker cooperative can meet the needs and aspirations of its members in a way that genuinely expresses cooperative values and principles. These two examples show how measuring the impacts of worker cooperatives on worker-members and on their communities requires a variety of tools (e.g. quantitative statistics, financial data, qualitative interviews, social capital analysis, input-output modeling, multiplier effects) and out-of-the box thinking (Gordon-Nembhard, 2015).

While worker-members can choose the values that guide their organization, the practical approaches for conducting their enterprise and the systems for enabling their collective decision-making (Hough, 2015; McNamara, 2015), the existing tools they can choose for measuring success are overwhelmingly concerned with quantifying even those impacts that are not financial in nature (Tischer et al., 2016). This can lead to a disconnect between what the organization is trying to achieve and the way it is trying to measure its performance. In some circumstances, the tension between the values of the democratic association and the interests of the enterprise can create an existential crisis. For example, a rift can develop between factions who favor social impact and factions who favor economic growth (Hunt, 1992). In that case, performing tensions intersect with belonging tensions, because values and identities affect which members fit within each faction (Ashforth & Reingen, 2014).

While choosing between competing poles might provide short-term success, long-term sustainability is likely to require continuous efforts to meet multiple and divergent demands. Worker cooperatives can work to combine dimensions of the social mission and the business venture. One possibility for managing this tension is a reframing of the organization so as to place the democratic association at the core of the commercial endeavor, rather than in opposition to it (Fairbain, 2002). In other words, cooperative principles and values are put to work in order to shape worker-members’ day-to-day activities rather than being “an awkward appendage stuck on the outside of the firm” (Briscoe, 1988: 25). As Storey, and al. (2014) argue, it is possible to develop a mutually supportive relationship between social and commercial success. Worker cooperatives can even articulate a commercial advantage from a well-defined social mission. The challenge is to build and maintain the cooperative identity as a core strategy within the worker cooperative (Hough, 2015; Tischer et al., 2016).

## RESEARCH AVENUES FOR ALTERNATIVE ORGANIZATIONAL MODELS

As mentioned above, my primary goal with this article is to expand the existing paradox literature on social enterprise and to inspire scholars to use and sharpen this perspective when dealing with alternative organizational models. In this last section, I first discuss three implications of this article for a paradox perspective on social enterprises, and then draw several insights for future research on alternative organizational models based on each paradox cluster (Table 1).

### IMPLICATIONS FOR A PARADOX PERSPECTIVE ON SOCIAL ENTERPRISES

The first implication of this article is to expand the scope of paradox scholarship on social enterprises. In the paradox literature, social enterprises are depicted as a somehow ‘new’ phenomenon (Michaud, 2013). However, this literature tends to neglect ‘old’ examples of social enterprises, especially those that suggest a more radical alternative to mainstream capitalism. While worker cooperatives are certainly part of social enterprises in general (Defourny & Nyssens, 2016), they are structurally more complex than the typical social enterprise described in the current paradox literature. Despite their intrinsic complexity, worker cooperatives have had—and continue to have—an important social and economic impact on worker-members and local communities (Birchall, 2003; ILO, 2014). In some countries currently suffering serious socio-economic problems, worker cooperatives can be part of the solution (Sobering, 2016). The study of worker cooperatives from a paradox perspective can thus enhance our understanding of a larger variety of alternative organizational models that challenge the current scope of social entrepreneurship as well as the contemporary dominant economic paradigm (Alperovitz, 2013; Reedy & Learmonth, 2009; Wright, 2013). Moreover, a focus on worker cooperatives has the potential to decolonize the imagination—currently merely centered on social enterprise as a “ray of hope” (Smith et al., 2013: 407)—and promote more radical practices (Fournier, 2008).

A related implication of this article is to problematize the somewhat conservative definition of social enterprise currently used in paradox perspective and mainstream management and organizational studies. In a recent article, Prieto, Phipps and Addae (2014) ask the following question: “Is Wal-Mart a social enterprise?” Based on a consensual definition of the concept of social enterprise (Social Enterprise Alliance, 2013), they conclude that it is still unclear if Wal-Mart can truly be viewed as a social enterprise, suggesting that the current definition is perhaps too broad. Most scholars agree that a social mission is still a secondary addition to the work of conventional investor-owned businesses. While some of these businesses may try to improve people’s lives or the environment as a by-product of making profits, it is not their explicit goal (Fleming & Jones, 2013). In some respects, the relationship between profit-making and social goals in social enterprises remains awkward (Rostron, 2015). In contrast, worker cooperatives’ social mission and business venture are mutually constitutive. The social mission is built-in rather than added-on. Worker cooperatives show other alternative organizational models how to deal with or even transcend the awkwardness of the social-economic tension (Levi & Davis, 2008; Tischer et al., 2016).

A third focus of this article is on expanding the focus of paradox scholarship to include more than one category of paradoxical tensions encountered by social enterprises. While current research on paradoxical tensions in social enterprises focuses almost exclusively on the social-economic tension, I suggest expanding this focus to include all four of the interrelated categories of paradoxes that appear in paradox literature (Smith & Lewis, 2011). Although the social-economic tension is important, the other three types of tensions are also relevant with regard to who has a stake in the organization, to governance mechanisms and to the redistribution of profit. The dual nature of worker cooperatives is more complex than the double mission—or double bottom line—of most social enterprises. Therefore, a framework that goes beyond the challenges of social-economic tensions can further extend mainstream paradox theory, especially with regard to tensions associated with organizational democracy (Battilana, Fuerstein & Lee, 2016) and surplus distribution (Defourny & Nyssens, 2016).

POTENTIAL RESEARCH AVENUES

In this article, I have promoted the idea that both poles of a paradoxical tension are in constant dialogue and that they somehow need each other (see Figure 1). In trying to cope with paradoxical tensions, worker cooperatives oscillate between opposing poles, sometimes swinging to one end of the paradoxical tension and sometimes tilting toward the other. They also sometimes find ways to balance or transcend this tension. With this analogy of a ‘pendulum swing’<sup>2</sup> in mind, several research opportunities could follow from this article for scholars who have an interest in alternative organizational models.

2. Ashforth and Reingen (2014) also used the analogy of a pendulum swing to describe the back and forth, or left and right, movements between idealist and pragmatic positions within the consumer cooperative they studied.

<i>Integration Homogeneity Commitment Affiliation</i>	Communality	←	<b>Belonging Paradoxes</b>	→	Individuality	<i>Separation Heterogeneity Indifference Independence</i>
<i>Direction Control Top-down Vigilance</i>	Hierarchy	←	<b>Organizing Paradoxes</b>	→	Democracy	<i>Empowerment Flexibility Bottom-up Trust</i>
<i>Certainty Past Stability Predictability</i>	Alternative	←	<b>Learning Paradoxes</b>	→	Mainstream	<i>Uncertainty Future Change Novelty</i>
<i>Simplicity Objectivity Efficiency Quantitative</i>	Economic	←	<b>Performing Paradoxes</b>	→	Social	<i>Complexity Subjectivity Efficacy Qualitative</i>

Figure 1 - Clusters of Paradoxes in Alternative Organizational Models

With regard to belonging paradoxes, a central question focuses on how alternative organizational models can foster communality and uniformity as well as individuality and diversity. A trend among alternative organizations is to broaden the membership base to include categories of stakeholders such as workers, producers, consumers, beneficiaries or public authorities (Defourny & Nyssens, 2016; Dubb, 2016; Kristensen, 2016). As multi-stakeholder organizations, the need to focus on commonalities among stakeholders must not overshadow attending to and respecting their differences. This recognition of difference is even more important in the case of inter-generational initiatives, as different generations have different sets of life and work values (Kuron, Lyons, Schweitzer & Ng, 2015). Millennials, for example, are depicted as a digitally native cohort attracted by the technological features of the collaborative economy. Although initiatives from the collaborative economy could “lead to the possibility of a viable communal economy composed on flexible networks of cooperative enterprises,” they could also “lead to a dystopia in which we are all reduced to contingent employees, permanently on call, perhaps bidding for jobs” (Adler, 2016: 128). Studying how alternative organizations can attract younger generations to a viable communal economy (Davis, 2016)—i.e. toward “platform cooperativism” (e.g. Fairmondo, Stocksy) rather than “platform capitalism” (e.g. Uber, Airbnb)—is thus extremely valuable.

With regard to organizing paradoxes, a central question is how alternative organizational models can install and sustain an effective democratic hierarchy (Viggiani, 1997). While the horizontal decision-making process is a characteristic espoused by many alternative organizational models, not all social enterprises include democratic governance as a key feature in maintaining the primacy of their social mission (Defourny & Nyssens, 2016). Although the efficiency rationale for democratic governance in our knowledge-intensive economy is strongly supported by evidence-based data (Grandori, 2016), mainstream management literature still discards worker ownership as being misguided and risky (e.g. Phan, Siegel & Wright, 2016). A paradox perspective on democratic governance could be used to study how tensions manifest in various industries and types of old and new social enterprises, such as multi-stakeholder cooperatives (e.g. solidarity-based cooperatives in Canada and social cooperatives in Italy), other types of worker-owned enterprises (e.g. Employee Stock Ownership Plan [ESOP]) and conventional organizations willing to introduce participation programs (Zevi et al., 2011; Grandori, 2016).

For learning paradoxes, a central question asks how alternative organizations can keep their alternative spirit over time. While several scholars have addressed the notion of life cycle in alternative organizations (Gherardi & Masiero, 1987; Hunt, 1992; Meister, 1984), the question of how paradoxical tensions are managed at different stages has not been thoroughly addressed. Yet it seems fair to admit that alternative organizations look and behave quite differently at various stages of their life cycle because distinct internal and external pressures exist at different times (Cornforth et al., 1988; Hunt, 1992). Each opportunity for expansion into new products or services has the potential to both reveal and exacerbate competing interests among stakeholders, which can undermine collective decision-making processes and threaten the viability of the organization. One concern for alternative organizations is the risk of losing their identities in the process of going mainstream (Huybrechts, Nicholls &

Edinger, in press; Nelson, Nelson, Huybrechts, Dufays, O'Shea & Trasciani, 2016). Comprehensive community-building strategies at various levels have already proven useful for helping alternative organizations grow (Dubb, 2016; Kristensen, 2016; Leca et al., 2014). Further study on how alternative networks look for ways to leverage the growth of a distinctive alternative economy would be both relevant and valuable (Webb & Cheney, 2014), as would examining how supportive measures from local, regional and national policy-makers can help alternative organizations at various stages of their development. Overall, management and organization theory can be enriched by research on social conditions enabling or constraining non-traditional organizations (Harter & Krone, 2001; Reedy & Learmonth, 2009; Schneiberg, 2013).

With regard to performing paradoxes, a central question looks to how alternative organizations can effectively include evaluation of their social performance as a core dimension of self-assessment. If they do not include their social performance at the core of their overall performance, the social dimension might become a mere add-on, furthering the risk of falling, just like many capitalist firms, into the traps of *greenwashing*, *fairwashing* or *sharewashing*. While various performance frameworks broadening the notion of performance already exist, many alternative organizations still struggle to determine both what constitutes good or bad performance for an alternative organization and what should be the bottom line (Tischer et al., 2016). For example, the nature of the relationship between the components of a performance framework could be analyzed: the links between employee participation and job satisfaction, or between community participation and financial performance, are worth deeper examination. The relationship between inputs and outputs could also be studied as part of a more holistic conceptualization of performance, including the links between leadership styles and social performance.

Another potential research avenue would seek to distinguish alternative organizations' paradoxical features using different levels of analysis. Paradox scholarship recognizes the multilevel nature of paradoxical tensions (Smith & Lewis, 2011). Given the complexity and variety of social phenomena, distinctions between levels of analysis can be somewhat arbitrary. Nevertheless, with regard to alternative organizations, distinguishing three levels—micro (individual), meso (organization) and macro (society)—can be useful. The micro-level would here refer to the paradoxical tensions both within each member and among members of an alternative organization; an example is the tension between the 'owner' and 'worker' identity of worker-members in a worker cooperative. The meso-level can be used to study the paradoxical tensions between the democratic association and the economic enterprise, while the macro-level looks to the paradoxical tensions between the social movement and the institutional environment in which it is embedded.

An alternative organizational model is a particularly demanding form of entrepreneurial endeavor requiring a unique set of skills (Tracey & Phillips, 2007). Regardless of the type of alternative organization under study, analyzing how practitioners acknowledge the existence of paradoxical tensions and become equipped with the conceptual tools to deal with these tensions is an important component of the analysis. According to Storey et al. (2014), the key to success resides in not being convinced that a permanent balance has been achieved. There must be a "healthy, explicit, active and vigorous internal debate about the achievement of the appropriate interplay between commercial success and

the maintenance of the distinctive underpinning principles” (Storey et al., 2014: 640). The existence of various responses to paradox does not guarantee a practitioner’s ability to enact the appropriate strategy at a given moment, if such a possibility even exists. Baxter (2004) describes our relationship with paradoxical tensions as a dance that consists of constantly walking on eggshells. While it seems that alternative organizational models would gain much by balancing or transcending paradoxical tensions, this can only be done with appropriate education and policies aimed at preventing a disconnect between core principles and the daily practices of stakeholders, both of which are crucially important to maintaining the vitality of any alternative organizational model (Heras-Saizarbitoria, 2014).

A final research avenue this article proposes is to study how elements in alternative organizations become and remain contradictory. As suggested above, contradictory elements are not inherently contradictory. We humans—practitioners and scholars—construct conceptual polarities to make sense of the world around us (Lewis & Dehler, 2000). Conceivably, we also construct conceptual polarities to influence the world around us. This issue is not discussed in current paradox literature. In order to acquire the mainstream position the paradox perspective now holds in organization studies (Lewis & Smith, 2014; Schad et al., 2016), its more provocative features seem to have been softened. With regard to social enterprises, studying the underlying reasons for which paradox scholars claim a contradiction between the social mission and the economic mission would be instructive. By reifying this contradiction, paradox scholars—and also practitioners—are perhaps making it difficult to conceive of a given situation in a less polarized way. Likewise, by claiming an intrinsic contradiction between hierarchical efficiency and democratic accountability (e.g. Phan et al., 2016), scholars are perhaps even undermining democracy. According to Dahl (1986: 111, italics in original) economic democracy and political democracy are two facets of the same founding principle: “*If* democracy is justified in governing the state, then it must *also* be justified in governing economic enterprises; and to say that it is *not* justified in governing economic enterprises is to imply that it is not justified in governing the state.” These are some of the questions that a paradox perspective on alternative organization should seek to answer.

## CONCLUSION

Over the past decade the paradox perspective has been used to study social enterprises, as there seems to be a natural fit between this perspective and the social enterprise phenomenon. Lewis and Smith (2014) recently argued that the paradox perspective is particularly useful when studying complex organizations, and social enterprises are certainly complex. This article expanded and challenged the focus of paradox scholarship on social enterprises by including worker cooperatives, an overlooked alternative organizational form at the margins of the mainstream capitalist value framework. These cooperatives are owned and controlled by their workers, who are also the primary beneficiaries of the cooperatives’ social missions. Their dual nature fuels them with the knowledge, resources and power to bring about constructive—if not radical—change in the industries and territories in which they dwell. As a unique case of social enterprise, worker cooperatives also provide a setting suited to the expansion of the study of paradoxical tensions in alternative organizations.

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