ORGANIZATIONAL HYBRIDITY IN FLEMISH CIVIL SOCIETY ORGANIZATIONS: PAST DEVELOPMENTS, PRESENT TRENDS AND FUTURE RESEARCH POSSIBILITIES

CSI Flanders working paper 3

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Abstract

Comprising of a wide array of organizational forms, actors and activities, non-profit scholars define civil society organizations as formal, private, non-profit entities. Drawing on the non-profit literature, this working paper examines both the causes and effects of civil society organizations hybridizing towards the market sphere. Additionally, we review the predominant concepts linked to the hybrid field between the communal and civil society sphere, which remains to date rather absent in the non-profit management literature. The focus is on the redefinition of the organizational mission and strategies, changing governance arrangements and shifting management practices. The main conclusion of this working paper is twofold. First, we underline the importance of incorporating organizational variables (e.g., age, culture, roots) in addition to environmental variables (e.g., norms, values, resources) when explaining organizational behavior. Second, we argue that research on the organizational effects of hybridization towards the market sphere is rather fragmentary, critical and characterized by an Anglo-Saxon bias.

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1 | Introduction

When defining civil society organizations (CSOs), scholars tend to describe what they are not, i.e. private as opposed to governmental, non-profit as opposed to business firms and formal in contrast to the informal networks of family and households (Evers & Laville, 2004; Van de Donk, 2008). This conceptualization is often illustrated by positioning civil society in the middle of a tri-polar system of market, state and community (figure 1). The ideal-typical CSO, situated in the centre of the triangle, serves as a point of reference to describe the heterogeneous nature of civil society, encompassing a wide range of organizational forms and activities. As CSOs can diverge towards the communal (2), state (3) and business (4) sphere a growing body of research focuses on the increasingly mixed or ‘hybrid’ organizational configuration of CSOs, i.e. non-profits with two or more ideal-typical sectoral characteristics.

![Civil society: A tri-polar model](image)

*Figure 1. Civil society. A tri-polar model*

In general, scholars point to the ripple effects of the New Public Management (NPM) paradigm as the main driver for increasing hybridization of civil society (Harris, 2010, p. 31; Skelcher & Smith, 2015, p. 433; Smith, 2014, p. 1504). The core of these administrative reforms — more management, more measurement, and more market (Paulsen, 2006) — is mirrored in the emergence of quasi-markets for public service delivery (Bode, 2006, p. 393; Cornforth, 2011, p. 1120; Hustinx & De Waele, 2015). Aiming to provide public services in a more efficient way, politicians increasingly require CSOs to compete for

1 Within this paper, the concepts ‘third sector’, ‘non-profit sector’, ‘civil society organization’ and ‘non-profit organization’ are used interchangeably. The term ‘social profit organization’ refers to a CSO which primarily focuses on social service delivery. For a detailed overview of the various definitions regarding non-profit organizations, see Anheier (2005, pp. 37-62).

2 New public management is rooted within neo-liberal ideology. This school of thought contends that the introduction of market mechanisms within the public sector results in more responsive and effective governing. Consequently, the government became both the main subject of as well as the main proponent of new public management reforms. For an illustration of NPM practices within Flemish civil society, see De Rynck, Pauly & Verschuere (2017).
public contracts with the organization offering the best price/quality ratio getting the tender. In contrast to conventional markets, the government actively steers quasi-markets by controlling the budget, planning and evaluation of its activities in order to guard both the quality of- and equal access to public services. Accordingly, whereas demand is reduced to purchasing power in conventional markets, human needs as defined by the government constitute the point of departure in quasi-markets (Verdonck & Put, 2008). Therefore, although CSOs are not or rather marginally active on conventional markets, their organizational environment became increasingly business-like.

Bode (2006) labelled this evolution as the shift from an organized to a disorganized welfare mix, thereby pointing to the erosion of long-established public-private partnerships, which turned increasingly into volatile configurations where output performance forms the predominant yardstick. In addition to CSOs becoming business-like, Bode (2006, p. 347) also emphasizes the increasing participation of citizens in social welfare production. Public calls for active citizenship, co-producing mechanisms as well as commons initiatives lead to increasingly blurry organizational fault-lines between community, state, market and civil society. A recent study by Hustinx, Verschuere, and De Corte (2014) on Flemish social profits, characterized by their long-established intertwining with the public sector, provides empirical evidence for this argument. Based on a survey they show the emergence of a post-corporatist model, characterized by a more mixed organizational design taking form towards market or community. Given that the hybridization of the third sector touches upon the larger question of how welfare (re)distribution should be organized in society, the discussion is rather politicised (e.g., Billis, 2010, pp. 9-11). Hybridization draws both public and academic criticism, ranging from cautious warnings to wholehearted opposition (e.g., Brandsen & Karré, 2011), especially with regard to CSOs becoming more business-like (e.g., Eikenberry, 2009; Frumkin & Andre-Clark, 2000).

However, in this—often-normative—debate the impact of hybridization on the organizational level tends to be overlooked (Jäger & Beyes, 2010, p. 86; Kistruck & Beamish, 2010, p. 735). In regard to CSOs becoming business-like, Dart (2004a, p. 291) notes that the difference between non-profit and business concepts is only clearly distinguished in terms of goals, i.e. on the level of mission and strategy, in contrast to governance arrangements and management practices. Although much of the non-profit management literature aims to “help non-profit managers to select those tools and ideas from the for-profit sector that will be most helpful to them and to adapt those tools to the demands of the non-profit sector” (Oster, 1995, p. 1), research on the organizational effects of becoming more business-like is rather fragmentary (Dart, 2004a, p. 293; Hwang & Powell, 2009, p. 271; Smith, 2014, p. 1506). A more fine-grained analysis is further complicated by a multitude of overlapping yet distinct concepts such as commercialization (e.g., Toepfer, 2006; Tuckman & Chang, 2006), marketization (e.g., Eikenberry & Kluver, 2004), corporatization (e.g., Alexander & Weiner, 1998), managerialism (e.g., Maier & Meyer, 2011), etc.

In contrast to the vivid debate regarding CSOs becoming more business-like, studies on the hybrid field between community and civil society remains to date rather absent in the non-profit management literature, as is the case for research on small-scale grassroots organizations in general (Billis, 2010, p. 52). Although several scholars point to the emergence of an ‘active citizen’ (e.g., Bode, 2006) the first challenge is to define interrelated concepts such as co-production, commons etc. as well as to explore the place and position of CSOs within these trends. Do we observe new forms or waves of bottom-up initiatives (e.g. mutual aid societies) or do established CSOs move increasingly towards or back to the community? Subsequently, more analytical questions regarding the organizational impact of becoming more grassroots-like can be addressed.

Based on an in-depth review of the non-profit literature, this position paper aims to paint the larger picture regarding the organizational hybridization of CSOs by analysing the international non-profit literature. Building on the findings of Hustinx et al. (2014), we concentrate on hybridization of CSOs—and more specifically on their role of public service delivery—towards the market- and community sphere. Accordingly, both the relationship with the public sector as well as organizational hybridization towards the government are not addressed in this review. We focus on three broad questions:
1. What is organizational hybridization?
2. What are the drivers of organizational hybridization?
3. What are the effects of organizational hybridization towards the market and community sphere on the organizational configuration of a CSO in terms of mission, governance and management?

The focus is on the redefinition of CSO’s mission and strategies, changing governance arrangements and shifting management practices. Minkoff and Powell (2006) conceptualize the mission statement as an organizational compass; it inspires to act but simultaneously delimits the boundaries to act within. Whereas organizational governance “constitutes the systems and processes concerned with ensuring the overall direction, control and accountability of an organization” (Cornforth, 2011, p. 1121), management refers to the executive dimension of the organization.

These questions touch upon one of the most central issues confronting non-profits today, i.e. the need or pressure to redesign their organizations due to shifting environmental circumstances. Added insights in hybrid structuring and its effects on organizational performance can contribute to the formulation of innovative response strategies vis-à-vis environmental pressures. And finally, an answer to these research questions contributes to the conceptual debate as to what civil society comprises, assuming that civil society consists of a heterogeneity of hybrid organizations, it is important to empirically look at the extent and nature of hybridity. This position paper, being part of the Civil Society Innovation in Flanders project (CSI Flanders), forms the point of departure for an in-depth survey and case study research in Flanders, which can arguably be labelled as an ideal setting for research on organizational hybridization of civil society. A traditional example of a corporatist state (Salamon & Anheier, 1998), Flemish civil society is characterized by its large size—ca. 10% of the professional population in Belgium works in a CSO (Hustinx et al., 2014, p. 398; L. M. Salamon, Anheier, List, Toepfer, & Sokolowski, 1999, p. 15)—as well by its strong intertwining with the government in terms of funding, resulting in a ‘pillarized’ society. Despite a process of depillarization at the end of the 20th century, Huyse (2013, 2014, p. 98-99) observes that former pillarized organizations were able to survive by shifting their tone of voice from an ideological to a market-based discourse, thereby securing to a certain extent their market shares and political influence. Subsequently, the governmental retrenchment in the aftermath of the 2008 crisis as well as the emergence of N-VA—the largest Flemish political party in 2010, fostered the pressure on CSOs to become more entrepreneurial in order to secure alternative funding sources (Boudewijnstichting, 2016). Furthermore, in line with CSOs becoming more business-like, Noy and Holemans (2016, pp. 79-80) indicate a sharp increase of civil collectives in Flanders, thereby following in the footsteps of the Netherlands and Germany.

The structure of the paper is threefold. The first part sets the scene by discussing the main conceptual and theoretical stances regarding organizational hybridization, thereby answering the first and second question. The second and third part zoom in on the effects of organizational hybridization of CSOs towards respectively the market and community sphere, thereby answering the third research question. In order to increase the accessibility of the text, we opted to implement ‘case in points’. These text boxes—drawing from recent scholarship as well as grey literature—provide an illustration of, elaboration on- or side note to the main point in the text. Finally, the paper concludes by highlighting the main findings as well as by suggesting four avenues for further research.

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3 Grey literature are non-academic texts. Common grey literature publications include websites, newspaper articles, white papers, working papers, blogs etc.
2 | Setting the scene

2.1 | Conceptualizing organizational hybridity
In the non-profit literature, organizational hybridity mainly serves as a descriptor for an organization comprising multiple features of the [...] state/business/community triptych (Skelcher & Smith, 2015). Within this section, we elucidate upon the different interpretations of this concept.

2.1.1 | A functional approach
Based on a premise of the population ecology perspective, i.e. rising environmental uncertainty leads to recombination mechanisms within organizations (Anheier, 2005, p. 150), Minkoff (2002) offers a functional conceptualization of hybrid CSOs by contending that these entities engage in both advocacy as well as social service provision. A historical example of this phenomenon are the US civil rights movements in the late 1960s. These developed service delivery programs, in addition to their advocacy role, as a response to governmental cutbacks in funding for social movements focusing ‘purely’ on representing the interests of their adherents.

2.1.2 | Hybridity as a key characteristic
Brandsen, van de Donk, and Putters (2005) go a step further than Minkoff (2002) by contending that all third sector organizations are in essence hybrid as a consequence of their central position in the state, community and market triptych. Building on this framework, which allows for cursory segmentation of CSOs, they argue that the institutional domain of state, market and community are as fuzzy and miscellaneous as the civil society sphere. Accordingly, Brandsen et al. (2005, p. 758) ponder the question whether scholars should continue their quest for static typologies in order to describe an increasing dynamic society. They turn the problem into an opportunity by proposing that, instead of wringing contemporary conceptual frameworks, hybridity could be marked as the key feature of CSOs. In accordance with this view, even small-scale, almost informal organizations need to be conscious of government regulations as well as public demand for their organizational goals, introducing an element of hybridity in their organizational design. The main implication of this approach would be that CSOs should be classified in a novel way, e.g. by their strategy to cope with multiple environmental demands (Brandsen et al., 2005, p. 760).

2.1.3 | The prime-sector approach
Contrary to the view of Brandsen et al. (2005), Billis (2010, 56) adheres to a ‘prime-sector approach’. He argues that every organization has primary ‘roots’ within one sector, which he defines as ideal-type organizational fields4 consisting of generic structural elements – every organization needs goals, resources, governance, ownership and staff but with distinct organizational principles marking the distinct identity of each sphere in the business/market/community triptych (see table 1). For instance, the operational goals of CSOs and business firms are ideal-typically formulated in respectively social and financial terms. In the same vein, commercial revenue, taxes and donations are the characteristic revenues for respectively firms, government and CSOs. Whereas most of the indicators speak for

4 DiMaggio and Powell (1983, p. 148) describe an organizational field as “those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products.”
themselves, Billis (2010, 53) points out that the gap between formal (i.e. those having the formal right to elect governors), active (i.e. those active in governing, the governors) and principal ownership (i.e. those who can decide to end or shift the entity from organizational field) within CSOs can be small. From this angle, ownership is conceptualized in terms of accountability regarding different levels of decision-making, contrary to the economic notion of possessing goods and products.

Table 1. Ideal-type model of private, public and civil society sphere (adopted from: Billis, 2010, 55)

<table>
<thead>
<tr>
<th>Core elements</th>
<th>Private principles sector</th>
<th>Public principles sector</th>
<th>Third principles sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership</td>
<td>Shareholders</td>
<td>Citizens</td>
<td>Members</td>
</tr>
<tr>
<td>Governance</td>
<td>Size of share ownership</td>
<td>Public elections</td>
<td>Private elections</td>
</tr>
<tr>
<td>Operational priorities</td>
<td>Market forces and individual choice</td>
<td>Public services and collective choice</td>
<td>Commitment about distinctive mission</td>
</tr>
<tr>
<td>Distinctive HR</td>
<td>Paid employees in managerially controlled firm</td>
<td>Paid public servants in legally backed bureau</td>
<td>Volunteers in association</td>
</tr>
<tr>
<td>Distinctive other resources</td>
<td>Sales, fees</td>
<td>Taxes</td>
<td>Dues, donations and legacies</td>
</tr>
</tbody>
</table>

Departing from this ideal-type framework, Billis (2010) categorizes hybrids along two variables, i.e. the original organizational configuration on the one hand and the nature of the hybridization process on the other hand. Whereas the former questions whether an organization starts out as a hybrid (enacted) or as a non-hybrid (organic), the latter refers to the impact of hybridization on the organizational identity. If hybridity occurs as a gradual process, without causing internal tensions, Billis (2010) labels this as a shallow process, in contrast to entrenched hybridity, where external influences such as large donors and professional staff are the main drivers for organizational hybridity. Although a useful framework for describing the hybridization process and studying the consequent challenges, this model is still in its early stages due to its narrow empirical foundation. Indeed, a descriptive analysis of cross-sectoral case studies (Billis, 2010, pp. 240-262) is rather insufficient to clearly define the fault line between ‘shallow’ and ‘entrenched’ hybridity, as well as how to empirically establish whether an organization is created as a hybrid.

2.1.4 Hybridness

Although there is no consensus among non-profit scholars on how to conceptualize organizational hybrids, definitions converge on the point that hybrids combine two or more ideal-typical sectoral characteristics (Hustinx & De Waele, 2015, p. 1669). This observation is rather problematic. Indeed, the broad approach of both Brandsen et al. (2005) and Billis (2010) suggest that all CSOs cannot be categorized to some degree as hybrid entities, thereby greatly diminishing the explanatory power of the concept (Smith, 2014). Accordingly, non-profit scholars tend to employ the concept in a descriptive manner, i.e. as a means to point to a combination of organizational features stemming from different sectors.

A way to overcome this conceptual deadlock is to take the intensity of the hybridity, or “hybridness” (Karré, 2011) of an organization into account. In his dissertation on the hybrid field between state and market, Karré (2011, p. 26) delimits hybridity as the organizational continuum between the ideal-typical public organization and ideal-typical business organization. In order to positon hybrid entities relative to each other, he defines ten quantifiable variables, which he organizes in a spider chart (figure 2). In figure 2, the ideal-typical hybrid is shown, i.e. an organization scoring 5 out of 10 on every variable, thereby positioning itself in the middle between the public and business organization. In the same vein, the ideal-typical public and business organization respectively corresponds with a dot in the middle and the outer circumference. This approach is compatible with the prime-sector approach of Billis (2010). Pending the hybridness of an organization, one can identify the organizational field to which the hybrid primarily relates. In short, the concept of hybridness, operationalized through context-specific, quantifiable
parameters, allows researchers to transition from the conceptual debate into empirical research as well as to conduct comparative case study analysis in a more rigid manner.

![Diagram](image)

Figure 2. Scoring the ‘hybridness’ of an organization (adopted from: Karré, 2011, p. 41)


Whereas Karré (2011) merely used this model (figure 2) to self-score his three case study organizations, Hustinx et al. (2014) apply this strategy in a more systematic manner. They examine to which degree Flemish social profit organizations are becoming more hybrid as a result of a more volatile welfare mix (Bode, 2006). Departing from the corporatist and liberal model, respectively characterized by their entanglement with the government and community as well as by their large and small sectoral size, Hustinx et al. (2014) ascribe six measurable parameters to a post-corporatist model (table 2).

<table>
<thead>
<tr>
<th>Organizational variables</th>
<th>Corporatist hybrid CSO</th>
<th>Post-corporatist hybrid CSO</th>
<th>Grassroots CSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing</td>
<td>Predominantly public</td>
<td>Mixed public-private</td>
<td>Predominantly private</td>
</tr>
<tr>
<td>HR</td>
<td>Predominantly paid staff</td>
<td>Mixed paid staff &amp; volunteers</td>
<td>Predominantly volunteers</td>
</tr>
<tr>
<td>Ownership: stakeholders</td>
<td>Homogenous stakeholders (with focus on governmental needs)</td>
<td>Acknowledging diversity of stakeholders</td>
<td>Homogenous stakeholders (with focus on volunteers)</td>
</tr>
<tr>
<td>Role perception</td>
<td>Service delivery</td>
<td>Mix service delivery and advocacy</td>
<td>Advocacy</td>
</tr>
<tr>
<td>Autonomy</td>
<td>Rather low: government decides mission</td>
<td>Non-profit and government decide together</td>
<td>Rather high: non-profit defines mission independently</td>
</tr>
<tr>
<td>Value framework</td>
<td>Public values dominant</td>
<td>Public-private value mix</td>
<td>Grassroots values dominant</td>
</tr>
</tbody>
</table>

The post-corporatist model shows a more ‘mixed’ organizational configuration, which can take form towards the market and/or community. Based on a large-scale survey, Hustinx et al. (2014) found a prevalence of ca. 50% of the social profits under scrutiny corresponding with the corporatist model, ca. 30% matching the post-corporatist model and ca. 20% with the grassroots-model. Additionally, Hustinx
et al. (2014) observe that no organization hybridizes consistently on all six dimensions, i.e. some dimensions reflect a rapprochement towards the community, while other dimensions mirror an evolution towards the market. This finding underlines the highly complex character of organizational hybridity. In addition to the development of an innovative operationalization and findings, they point to some limitations of their study. First of all, it provides a snapshot, thereby excluding any conclusions regarding the historical evolution of organizational hybridity within Flemish CSOs. Secondly, the study focuses solely on social profit organizations. Both these constraints provide a fruitful avenue for further research, the former to discuss evolutionary trends regarding hybridization of Flemish social profits, the latter to test these empirical findings cross-sectoral or cross-nationally.

2.2. Embedding hybridization in organizational theory
In general, non-profit scholars tend to point to environmental uncertainty as the main driver of organizational hybridization, i.e. the process of becoming more hybrid. Anheier (2005, pp. 152-153) relates environmental uncertainty to the complexity of the task environment. Given that not every task is performed in the same way, one can argue that tasks induce organizational demands in terms of structure and practice. A common example to illustrate this point is the bureaucratic organization. If a task can be structured in a sequential manner, combined with a stable flow of resources, a predictable public demand and rather straightforward performance measurement, then bureaucracy is a suitable organizational design. In addition to the task itself, the task environment encompasses the organizational stakeholders as well as technology, information, communications and logistics available to an organization.

The uncertainty of a task environment can be described in terms of ‘complexity’ and ‘dynamism’. First, complexity refers to the number of steps needed to complete a task, as well as to the level of similarity of each step relative to each other. A production process consisting out of many steps, which are very different from each other, makes the environment more uncertain. Second, dynamism refers to the predictability as well as the pace of change within an organizational field. If elements change rapidly and in a rather unpredictable manner (e.g., a stock exchange), control over the environment fades. Consequently, Anheier (2005) discerns four stages of environmental uncertainty:

<table>
<thead>
<tr>
<th>Low complexity</th>
<th>High complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low dynamism</td>
<td>Low uncertainty (e.g., car registration service)</td>
</tr>
<tr>
<td>High dynamism</td>
<td>Medium-high uncertainty (e.g., social and health care services)</td>
</tr>
</tbody>
</table>

However, referring to environmental uncertainty as the prime driver of hybridization is rather insufficient for two reasons. Firstly, the notion of ‘environmental uncertainty’ is too broad for precise analysis. How and where do environmental demands emanate? To what capacity can organizations deal with environmental pressures? Accordingly, we elaborate upon this concept in terms of institutions, resources and logics. Secondly, the focus on environmental uncertainty tends to regard CSOs as merely responding to external changes (e.g., Minkoff, 2002), thereby neglecting the influence of intra-organizational elements such as organizational age and culture.

Building on these limitations, this section proposes a research lens (figure 3) for in-depth analysis of the drivers of organizational hybridization of CSOs. From an organizational viewpoint, this process can be framed as an interactive sequence. Facing the pressure or need to become more hybrid, organizations can choose to accept, cope or resist to these demands. Furthermore, organizational elements such as
organizational culture and age can result in internal demands as well as influence organizational response strategies towards external demands. Organizational variables such as mission, strategy and management as well as organizational performance are affected accordingly.

Figure 3. Examining organizational hybridization. An approach

2.2.1 Environmental perspectives
The task environment of CSOs is characterized by its complexity (e.g., Thomas, 2004). Multiple bottom lines, i.e. creating social value as well as ensuring financial viability, combined with multiple stakeholders (e.g. volunteers, donors, clients) lead to intricate environmental demands (Anheier, 2005, pp. 227-230). The non-profit plurality can be contrasted with the for-profit singularity. Ultimately, business firms aim to create financial profit (one bottom-line) for their stockholders (one stakeholder).

Non-profit scholars tend to apply institutional or resource dependency theory when examining the relationship between a CSO and its environment. Both contend that various external pressures to which an organization must be responsive to in order to ensure survival and stability bind organizational choice. More recently, researchers adopt the institutional logic approach (ILA) to analyse the impact of competing pressures on organizational structure and practices. However, they all emphasize different loci of external power – i.e. where do environmental demands originate from? – as well as suggest different dynamics linking a CSO with its environment (Oliver, 1991, p. 148).

Institutional theory
Institutional theorists argue that external demands are shaped by the norms, values and beliefs of the predominant institutions, i.e. regulatory structures such as the government, courts, successful peer organizations etc., within an organizational field. For instance, an organization needs to conform to certain norms in terms of predictability in order to be found trustworthy by a third party. Indeed, according to institutional scholars, isomorphic behaviour is rewarded by a perception of legitimacy, which can be obtained without a demonstration of efficiency (Oliver, 1991). This constitutes the core premise of institutional theory, i.e. mimicking these regulatory entities within the same organizational field in order to be perceived as a legitimate organization (Claeyë & Jackson, 2012). Consequently, proponents of this theory posit that the relationship between an organization and its environment is characterized by passive conforming and nonchoice behaviour.

DiMaggio and Powell (1983) coin three isomorphic mechanisms. First, coercive isomorphism occurs when external stakeholders impose changes on organizations, the most classic example being the influence of donors by attaching conditions to funding (e.g., Anheier & Toepfer, 1998, pp. 236-237; Froelich, 1999, p. 250; Tuckman, 1998, p. 178; Weisbrod, 1998c, pp. 14-15). Another common example are the cultural expectations, both voiced and silent, within the public community. Second, mimetic
isomorphism refers to the adaptation of best practices, i.e. taking over elements of the most successful organizations in order to increase organizational performance. DiMaggio and Powell (1983) contend that especially mimetic isomorphism is an organizational response to environmental uncertainty. When an organization is faced with a complex problem, they might model consciously or unconsciously their answer in line with the response of the more successful, established counterparts within their field.

Thirdly, normative isomorphism derives from professionalization, which DiMaggio and Powell (1983, p. 152) define as “the collective struggle of members of an occupation to define the conditions and methods of their work, to control “the production of producers” [...] and to establish a cognitive base and legitimacy for their occupational autonomy”. They point to two aspects of professionalization which stimulate isomorphism, i.e. formal education and professional networks. Whereas universities serve as centres where professional values and norms are instilled, professional networks function as a vehicle for demonstrating and diffusing professional standards. Furthermore, normative isomorphism surfaces during hiring processes; previous work experience within the organizational field as well as a degree from a renowned university or training facility is often considered as advantageous. In addition to these isomorphic dynamics, DiMaggio and Powell (1983) hypothesize that a broadly formulated mission statement as well as a vague strategy in terms of how an organization is planning to achieve its objectives, the more an organization is likely to model itself according to the major institutions within its field.

In sum, focusing on conforming to field level norms, values and practices, institutional theory provides an explanatory framework for nonchoice behavior that at first sight lacks indication that it serves organizational interests. However, this approach only provides a part of the puzzle, giving that it does not account for organizational coping or resistance strategies vis-à-vis external expectations.

Resource dependency theory

Resource dependency theory contends that environmental pressures originate from resource scarcity. Organizations depend on – and are constrained by – entities that control critical resources (Gras & Mendoza-Abarca, 2014, pp. 394-395; Hodge & Piccolo, 2005; Pfeffer & Salancik, 2003). Contrasting with the neo-institutional emphasis on homogeneous institutional pressures, resource dependency theory focuses on conflicting environmental demands, thereby making conforming an unworkable option. An organization needs to be effective, i.e. meeting the demands of external stakeholders to a certain degree, in order to be perceived legitimate (Pfeffer & Salancik, 2003, pp. 11-12). Consequently, whereas efficiency is an internal standard (“doing more with less”), the effectiveness of an organization is primarily judged by external actors. If stakeholders are satisfied with the programs of a CSO, environmental pressure is often felt as a pressure for more efficiency.

Indeed, an organization needs the support from an organizational coalition who contributes resources and support in exchange for creating outcomes which are desired by the coalition members. The value of the coalition partners is expressed in terms of their contribution, such as funds, information, reputation etc. Accordingly, contributors of critical resources – i.e. resources that are instrumental for organizational survival – exercise considerable influence over an organization. Drawing on this perspective, the role of management can be framed in terms of reducing environmental uncertainty. It has to actively create a favorable environment to the organization by adjusting organizational actions to the constraints imposed by the social context. Consequently, resource dependency theorists stress that organizations exercise some degree of influence over their environments (Oliver, 1991, p. 149), ranging from partial conformity to public resistance.

Pfeffer and Salancik (2003, p. 14) contend that “actions can be said to be constrained whenever one response to a given situation is more probable than any other response to the situation, regardless of the actor responding. That is, constraint is present whenever responses to a situation are not random.”
Institutional logics approach

Rather than institutional pressures or resource dependencies, the institutional logics approach (ILA) contends that environmental rationalities or ‘institutional logics’ serve as the key operating principles within organizations. They define ‘institutional logic’ as a dominant normative frame consisting of "symbolic and material elements that structure organizational legitimacy and actor identities" (Skelcher & Smith, 2015, p. 433). According to Evers and Laville (2004), exchange based on the convergence between supply and demand, redistribution enforced in conformity to democratic principles and reciprocity in accordance to the principle of “do quia mihi datum est” [I give because much is given to me] (Brandsen et al., 2005, p. 758), constitute the respective institutional logic of the market, state and community sphere.

Non-profit scholars point to the ILA as a promising avenue for constructing an encompassing theory of hybrid organizations (e.g., Pache & Santos, 2013; Skelcher & Smith, 2015). In particular, recent scholarship by Smith (2014) and Skelcher and Smith (2015) reconceptualized hybrids in terms of institutional logics. Although departing from a similar premise as Brandsen et al. (2005), i.e. there is no clear-cut delimitation between the state, market and community sphere, Smith (2014) and Skelcher & Smith (2015) refute the view that hybridity is a shared characteristic by all CSOs; if all are to be considered hybrids, what then is the added value of ‘hybridity’ in the academic debate? Moreover, Smith (2014, p. 1498) notes that hybridity is predominantly employed in the non-profit literature to describe the closer entanglement between non-profit and for-profit organizations (e.g., Cooney, 2006; Dees, 1998) thereby further limiting the explanatory power of the concept in regard to organizational governance and performance. Thus, rather than combinations of sectoral characteristics as a response to multiple environmental demands (e.g., Brandsen et al., 2005) or having prime roots within one organizational field (e.g., Billis, 2010), Skelcher and Smith (2015) take the notion of environmental rationalities as the key principle in accordance to which organizational actors operate.

The plurality of these (competing) rationalities coming together within hybrid non-profits both enables and constrains the agency of organizational actors in their day-to-day activities (Pache & Santos, 2010, p. 4). Consequently, the organizational premises serve as a platform where organizational members give meaning to the mix of institutional logics by constructing a particular organizational design as well as adopting a specific set of values. For example, a for-profit subsidiary could be characterized by a predominant culture of output-performance as well as by the adherence to entrepreneurial values in contrast to the non-profit parent organization, which for instance could be characterized by a prevailing social welfare logic, manifested through loose coupling between written procedures and operational processes as well as adherence to democratic values. Skelcher and Smith (2015) discern five distinct hybrid models (table 4).

<table>
<thead>
<tr>
<th>Hybrid type</th>
<th>Organizational characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segmented</td>
<td>Functions oriented to different logics compartmentalized within the organization</td>
</tr>
<tr>
<td>Segregated</td>
<td>Functions oriented to different logics are compartmentalized into separate but associated organizations</td>
</tr>
<tr>
<td>Assimilated</td>
<td>The core logics adopts some of the practices and symbols of a new logic</td>
</tr>
<tr>
<td>Blended</td>
<td>Synergistic incorporation of elements of existing logics into new and contextually specific logic</td>
</tr>
<tr>
<td>Blocked</td>
<td>Organizational dysfunction arising from inability to resolve tensions between competing logics.</td>
</tr>
</tbody>
</table>
The ILA offers a significant contribution to organizational theory. First, this perspective allows in-depth research on how combinations of conflicting institutional logics manifest themselves within an organization (e.g., Hustinx & De Waele, 2015; Pache & Santos, 2013). Secondly, ILA acknowledges the creativity of organizational actors in dealing with environmental pressures, contrasting with the institutional and resource dependency theory. Institutional theory tends to frame organizational behaviour as determined by conforming, “script-following actors” (Binder, 2007, p. 550). Indeed, the notion of hybridity in itself challenges the conceptualization of organizations as entities merely reproducing the institutional field consensus in order to gain legitimacy and support (Pache & Santos, 2013, p. 973). Resource dependency, although acknowledging organizational agency in face of environmental pressure, tend to frame this interaction as a rationalist trade-off in terms of resources. On the whole, these theoretical strands consider organizational actors as part of a single meaning system, determined by respectively isomorphism and rationalism. Opposing these assumptions, the ILA builds on the notion that organizational actors are part of a multiple meaning system (Binder, 2007, pp. 551-552). Individuals and groups have varying notions of organizational purposes, outcomes, etc. which are manifested through negotiated and everchanging organizational strategies coping with diverse environmental pressures. Binder (2007, 568) articulates this point rather well: “Logics are not purely top-down: real people, in real contexts, with consequential past experiences of their own, play with them, question them, combine them with institutional logics from other domains, take what they can use from them and make them fit their needs”.

In sum, the ILA constitutes a promising research framework to study the combination of institutional logics at the organizational level in terms of structure and practice. Understanding the emergence and functioning of hybrids is essential in order to enhance our insights on how they survive and operate in pluralistic environments.


A good example of the application of the ILA in hybridity research is a recent study by Hustinx & De Waele (2015), focusing on a Flemish social grocery which corresponds with the blended hybrid model as defined by Skelcher & Smith (2015) (see table 4). They identify four distinctive institutional logics, of which the business logic was at odds with the social welfare logic. Whereas the former emphasizes efficiency in running the store, the latter goes out to the quality of the vocational training of the long-term unemployed co-workers as well as the empowerment of the volunteers with a background in poverty. The organizational tension was mitigated by the street-level management through three coping strategies.

First, when a professional needed to delegate responsibility of the store temporarily to a co-worker, the same individuals were commonly chosen. Put differently, the professionals implicitly categorized the client-employees as ‘weak’ or ‘strong’ based on their perceived skillset, which resulted in different learning opportunities.

Second, during moments of conflict in the grocery, let’s say a client complaining over the supply of a particular food item, professionals tended to take over the situation instead of providing assistance to participants. Nevertheless, these are prime opportunities for the participants to improve their resilience in difficult moments on the work floor.

And finally, when employing a couple of long-term unemployed co-workers, the professionals decided to rationalize the workforce by letting a couple of volunteers go; the store could be as efficiently run as before without them. All three strategies reflected a favouring of the business logic (efficiency) over the social welfare dimension (empowerment), which was bolstered by rising levels of poverty resulting in more customers to be served in the same amount of time. Accordingly, Hustinx and De Waele (2015) [6]

---

[6] We define a client-employee as an individual with a fragile background (e.g., poverty, long-term unemployment) who participates in a social enterprise (e.g., social grocery). In contrast, a client is an individual who consumes goods and/or services offered by the social enterprise.
concluded by labelling the social grocery as a ‘blocked hybrid’, i.e. competing logics counteracted with the organizational purposes.


Examining how hybrids combine competing logics at an intra-organizational level, Pache & Santos (2010, 2013) conducted a longitudinal comparative case study on four French social integration enterprises, which they define as organizations that aim to integrate long unemployed people into the workforce by hiring them to produce goods and services that are sold on the market (Pache & Santos, 2013, 973). These organizations were purposively sampled as two matched pairs, i.e. all active on a national scale (network of local sites), two organizations were active in the recycling industry, two in the temporary work sector. Furthermore, within each pair, one organization originated as a commercial firm, the other as a non-profit. Combining both a social welfare- and commercial logic, Pache & Santos (2010) distinguished ten structural variables which prompted the organizations under scrutiny to choose between both logics (table 5).

<table>
<thead>
<tr>
<th>Structural variables</th>
<th>Social welfare logic</th>
<th>Commercial logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational form of local sites</td>
<td>Autonomous</td>
<td>Subsidiaries of the parent organization</td>
</tr>
<tr>
<td></td>
<td>Non-profit</td>
<td>For-profit</td>
</tr>
<tr>
<td>Ownership structure</td>
<td>Tied to mission adherence</td>
<td>Tied to capital</td>
</tr>
<tr>
<td>Profit destination</td>
<td>Absence of profit redistribution</td>
<td>Systematic redistribution of profit to shareholders</td>
</tr>
<tr>
<td>Local embeddedness</td>
<td>Governance embedded in network of local actors</td>
<td>Absence of local actors in local governance</td>
</tr>
<tr>
<td>Brand to develop Procedures</td>
<td>Adapted to local conditions</td>
<td>Development of a unified brand</td>
</tr>
<tr>
<td></td>
<td>Adapted to local conditions</td>
<td>Development of standard procedures</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Adapted to local conditions</td>
<td>Close monitoring of local practices by the parent organization</td>
</tr>
<tr>
<td>Professional affiliation</td>
<td>Social integration professionals</td>
<td>Adhesion to industry professional standards</td>
</tr>
<tr>
<td>Volunteer mobilization</td>
<td>Mobilizing volunteers for permanent operational positions is deemed appropriate</td>
<td>Mobilizing volunteers for permanent operational positions is deemed inappropriate</td>
</tr>
</tbody>
</table>

All respondents within the social enterprise field argued that the commercial logic was instrumental for realising the social mission, i.e. profit in function of training long-term unemployed people. In this context, the researchers hypothesized that the organizations originating from the commercial and social sphere would primarily adhere to respectively commercial and social practices. However, empirical evidence suggested otherwise. Whereas the social integration enterprises with social origins freely borrowed elements from both logics, the organizations with commercial roots displayed strict adherence to the predominant social logic in the field. Or put differently, despite their commercial origins, these organizations showed a higher compliance degree to institutional demands than their non-profit counterparts, which Pache & Santos (2013) labelled as a ‘Trojan horse pattern’. This finding suggests that commercial enterprises, entering a hybrid field were commercial practices solely serve a social mission, suffer from a legitimacy deficit (Pache & Santos, 2010, p. 6) in contrast to non-profit organizations. This explanation became rather apparent in the interviews with executives of the social enterprises with commercial roots:
Informant WORK & CO: “[When we started to work on the creation of our first social integration enterprise in 1991], everybody was after us, especially the social sector actors. Because we came to eat off their plate. Because we were big, people were afraid of us. Why would we do this job? Necessarily to make money. And this would bother them. This was not our playground.” (As cited in: Pache & Santos, 2010, p. 28)

Executive BUSITECH: “People from the social world did not like us to enter their private reserve. They considered us as a business executive with no experience in the social sector. And because there was COMPUTER (their mother organization) behind us, they said: “They want their toy. These days it is good for companies to get involved in social activities, so they do it too. They come to eat our bread.”” (As cited in: Pache & Santos, 2010, pp. 28-29)

Furthermore, the non-profit organizations entering the social enterprise field apparently benefited from an advantage in terms of organizational legitimacy. Given that these non-profits always adhered to a social bottom-line, they experienced more freedom to experiment with the adaptation of commercial elements which resulted into high performance numbers (Pache & Santos, 2010).

The contribution of this study to our understanding of hybrid organizations is threefold. First of all, these findings emphasize the salience of studying competing logics on an organizational level in addition to examining its impact on street-level practices (e.g., Hustinx & De Waele, 2015). Secondly, it suggests that the founding origins – i.e. being perceived as an insider or outsider in an organizational field – constitute an important predicting variable regarding the degree of compliance to institutional pressure. Thirdly, it demonstrates that clear goal definition on the field level – in this case, commercial principles in support of the social-welfare logic as the main principle within the social enterprise field – provides a hybrid with the capacity to combine practices from different institutional logics, thereby giving hybrids the advantage of drawing and combining practices from a broader repertoire than traditional organizations.

2.2.2 Organizational response strategies

The diverging views on the origins of environmental demands lead to different conclusions about appropriate organizational response strategies. In general, organizational strategy translates the mission into operational programs (Rangan, 2004). Tactics are employed to achieve intermediate objectives within a program which is in support of the organizational mission statement. Accordingly, strategies are more visible than tactics. Whereas strategies can be identified through organizational behaviour or organizational documents, tactics require more in-depth study. We feel that the ‘why’ question, i.e. inquiring the motive and expected outcome of a particular decision or action, is of particular value in discerning tactics from strategy. As discussed above, institutional- and resource dependency theory respectively suggest passive conformation and active adaptation to environmental uncertainty. Building on the convergences and divergences between these perspectives, Oliver (1991) offers arguably the most complete typology of strategic organizational responses to environmental pressures (van der Torre, 2016, p. 62).

Furthermore, in this seminal article, Oliver (1991) elaborates on ten variables which can predict the degree of organizational conformity to institutional pressures. In the subsequent two sections, we elucidate upon respectively the typology (table 6) and the predicting variables by summarizing and illustrating the main points.

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Tactics</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquiescence</td>
<td>Habit</td>
<td>Following invisible, taken-for-granted norms</td>
</tr>
<tr>
<td></td>
<td>Imitate</td>
<td>Mimicking institutional models</td>
</tr>
<tr>
<td>Compromise</td>
<td>Comply</td>
<td>Obeying rules and accepting norms</td>
</tr>
<tr>
<td>------------</td>
<td>--------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Compromise</td>
<td>Balance</td>
<td>Balancing the expectations of multiple constituents</td>
</tr>
<tr>
<td></td>
<td>Pacify</td>
<td>Placating and accommodating institutional elements</td>
</tr>
<tr>
<td></td>
<td>Bargain</td>
<td>Negotiating with institutional stakeholders</td>
</tr>
<tr>
<td>Avoid</td>
<td>Conceal</td>
<td>Disguising nonconformity</td>
</tr>
<tr>
<td></td>
<td>Buffer</td>
<td>Loosening institutional attachments</td>
</tr>
<tr>
<td></td>
<td>Escape</td>
<td>Changing goals, activities or domains</td>
</tr>
<tr>
<td>Defy</td>
<td>Dismiss</td>
<td>Ignoring explicit norms and values</td>
</tr>
<tr>
<td></td>
<td>Challenge</td>
<td>Contesting rules and requirements</td>
</tr>
<tr>
<td></td>
<td>Attack</td>
<td>Assaulting the sources of institutional pressure</td>
</tr>
<tr>
<td>Manipulate</td>
<td>Co-opt</td>
<td>Importing influential constituents</td>
</tr>
<tr>
<td></td>
<td>Influence</td>
<td>Shaping values and criteria</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>Dominating institutional constituents and processes</td>
</tr>
</tbody>
</table>

**Acquiescence**

Rooted in the institutional approach, ‘acquiescence’ refers to organizations conforming to the prevailing beliefs, norms and rules in their organizational field, which can occur either unconscious (blind adherence) or conscious (strategical move). Oliver (1991) discerns three tactics, i.e. habit, imitation and compliance. The most passive form of acquiescence is ‘habit’, in this case, rather than the mission, tradition is the main driver of organizational behaviour. It refers to unconscious adherence to institutional pressures, reflecting the notion “it has always been like that”.

Balancing between the unconscious and conscious, ‘imitation’ refers to the mimicry of institutional models such as of successful trendsetters within a given field as well as taking advice from established consultancy firms. Both habit and imitation carry a strong notion of ‘environmental determinism’, which implies that the level of self-agency of organizational management approaches zero (van der Torre, 2016, pp. 58-59).

‘Compliance’ can be defined as the conscious incorporation of the predominant rules, values and beliefs of the organizational field. While habit and imitation are rather perceived by organizational management as ‘common sense’, i.e. logical and essential steps towards increased stability, compliance refers to active strategical decisions to conform to environmental pressures, e.g. in order to obtain extra funding. Strategic management scholars discern a conservative and innovative compliance strategy (van der Torre, 2016) Whereas a conservative strategy aims to comply in terms of increased efficiency (doing more with less), innovative strategies go out to increased effectiveness, i.e. resulting in better results which are in line with the organizational mission.

**Compromise**

Given that organizations are often confronted with conflicting environmental demands, making acquiescence an unworkable or undesirable option, organizations might attempt to compromise, i.e. reconcile external expectations with organizational goals and needs. ‘Balancing’ tactics refers to finding common ground between conflicting internal and external expectations. Jäger and Beyes (2010) for instance identify three balancing practices in the case of a Swiss cooperative bank becoming more
business-like, which was perceived by the members as a change of course. First of all, in line with the cooperative character of the organization, the bank managers and board directors supported divergent views while discussing economic concerns with the members, thereby fostering intra-organizational relationships. Secondly, most of the decisions in the direction of commercialization were at first noncommittal and negotiable to a certain degree. The ratio behind this ‘step-for-step’ approach was to protect stable relationships with the regional and local departments during the transition towards becoming more profitable. Thirdly, management pointed out that part of the seemingly new strategies were either not new at all (only the term was) or built on existing day-to-day practices in order to ‘soften’ the feeling of change. In sum, Jäger and Beyes (2010) show how organizational needs, i.e. commercialization tactics as an organizational survival strategy, were balanced with the expectations of the prime constituents, namely the members of the cooperative bank.

Similar to balancing, ‘pacifying’ tactics also refers to partial conformity, be it in a minimal way. By complying with the minimum standard of the external demand, organizations reduce the pressure to a tolerable level. In comparison to balancing tactics, pacification contains to some degree passive resistance, i.e. resisting by not cooperating in full. For example, a company that produces a harmful product will often allocate funds to comply with the minimal safety requirements as formulated by regulatory institutions. When ‘bargaining’, an organization actively seeks to get some concessions regarding the external pressures by negotiating with the institution at issue. Pfeffer and Salancik (2003, pp. 143-186) discuss the negotiated environment in terms of interorganizational linkages, thereby extending the agency of an organization to actively negotiate with its environment. Indeed, a broad interpretation of ‘bargaining’ transcends the notion of an organization solely capable of negotiating with the source of institutional pressure. It can also negotiate with peer organizations, burdened with identical pressures, to form an interorganizational coalition, ranging from a merger (pooling of all the organizational resources) to joint ventures (only a part of the parent companies’ resources is pooled).


Based on qualitative research in South-Korean workfare organizations which felt an increasing governmental pressure to become more business-like, Kim (2015) concluded that street-level struggles resulted in a more reciprocal and cooperative understanding of marketisation, contrasting with the neoliberal bottom line of market competition. He identified three response mechanisms to the governmental pressure to provide workfare services conform with market standards.

First of all, neighbouring workfare centres divided among each other their field of action in order to mitigate inter-centre competition. This strategy can be referred to as cartel building, i.e. similar businesses associating in order to limit competition.

Secondly, a step further than market division, the centres merged several of their programs in order to maximize their outputs. Furthermore, the unification of similar work programs in consortiums allowed the centres to compete more effectively against private companies.

And thirdly, in line with active collaboration, the centres made agreements on ‘internal trading’ in order to safeguard the mutual understanding. Many programs offered to the long-term unemployed produced diverse products (e.g. soaps, snacks, etc.) which were not better nor cheaper produced than their market counterpart. Consequently, they agreed to divide the type of products among the centres — e.g. one centre focusing on clothing, another on health-related products, etc. In this way, they artificially created mutual dependency; what they did not produce within their centre, they bought from the other centres. Put differently, they ensured that they were each other’s best ‘clients’. In sum, these street-level resistance mechanisms, although subtle and practical of nature, show that organizational configuration not only coins the non-profit as a ‘space of service’ but potentially also as a “space of resistance” (Kim, 2015, p. 213).

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7 Kim (2015, p. 208) defines ‘workfare’ as programmes and schemes that require people to work in return for social assistance benefits. [...] Workfare have often been criticised for being a punitive, market-oriented neoliberal policy.
This broad interpretation of the bargaining tactic, illustrated by the case study of Kim (2015) arguably relates to the strategy of ‘avoidance’ (if done in a rather covert manner) as well as ‘defiance’ (if publically voiced), i.e. organizations actively engage with peers in order to reduce external uncertainty by pooling resources (e.g. information, reputation).

Avoidance
Oliver (1991, p. 154) defines ‘avoidance’ as the organizational attempt to preclude the necessity of conformity. This organizational behaviour can be manifested through concealment, buffering or escape from environmental pressures. ‘Concealment’ or ‘decoupling’ can be defined as the discrepancy between what an organization says it is doing and what it is actually doing (Pache & Santos, 2010, p. 3). Hence, where compliance refers to actual conformity with institutional demands, concealment refers to alleged conformity. For example, in the context of Swedish study associations, Åberg (2013) shows how the ideological tradition is at odds with the organizational strategy for securing funds. Although still emphasizing their traditional roots, several study associations added new member organizations with different ideological stances in order to compensate for a declining membership base. Pache and Santos (2013) indicate that an important assumption underlying decoupling tactics constitute the notion that all organizational actors oppose the environmental pressure and are willing to conceal the nonconforming behaviour. If not the case, conflicting environmental pressures are likely to result in the emergence of internal coalitions, each competing to let their preferred organizational blueprint prevail, thereby internalizing the institutional conflicts.

One step further than concealment, ‘buffering’ indicates the organizational effort to shield off (part of) the operational activities from external control. However, when an organization depends on public approval in order to obtain operational resources, buffering tactics can come across rather suspiciously. If not dependent on public opinion, buffering can bolster organizational autonomy. ‘Escape’ comes in the form of exit, i.e. the organization changes from organizational field or redefines its mission in a significant way in order to avoid external demands. For example, due to increasingly stringent accountability standards an organization can choose to change the operational focus or to relocate a part of the production process to a different area or country where less stringent rules are applicable (e.g. private corporations outsourcing production to low wage countries). Resource diversification can arguably be labelled as a moderate form of ‘escape’, i.e. by spreading resource dependencies over several constituents, an organization mitigates the adverse effects of resource scarcity within one organizational field. Furthermore, it enables an organization to compromise with constituents who voice conflicting environmental pressures by playing them off against each other.

Defiance
Contrasting with the strategy of avoidance, ‘defiance’ refers to open and active resistance against environmental demands. When external enforcement of institutional rules is perceived as low, or organizational objectives openly conflict with institutional regulations, organizations can opt to ignore or ‘dismiss’ environmental demands. If an organization does this in a public manner, then it consciously ‘challenges’ the predominant normative framework. The tactic of ‘attack’ distinguishes itself from challenge by the intensity and aggressiveness by which the organization engages against the institutional environment. An organization is likely to attack when its survival is in jeopardy.

8 The faultline theory offers a rich perspective to examine organizational coalitions in hybrid entities (e.g., Crucke, 2016).
Manipulate

Manipulation surpasses the strategy of defiance because in addition to refuting, it seeks to change the institutional demands. Building on the notion “if you can’t beat them, join them”, a first manipulative tactic can be labelled as ‘co-optation’. Co-optation in terms of interlocking directorates refers to board members serving on boards of multiple organizations as well as to the practice of appointing influential constituents to governance positions (e.g. advisory committee) within an organization. Pfeffer and Salancik (2003, pp. 161-165) point to a ‘co-optation dilemma’. On the one hand, this tactic provides potential access to resources and information, develops stronger ties with constituents as well as bolsters organizational legitimacy. On the other hand, positioning external actors in the organizational cockpit can lead to a loss of autonomy as well as to mission shift. A second manipulative tactic constitutes ‘influencing’, of which lobby associations are the most common example of. Both the public opinion as well as accountability standards can be subjected to influencing tactics. Thirdly, ‘controlling’ actions aim to turn the tables, i.e. instead of being the subject of institutional pressures, the organization seeks to pressure the institutional environment. Organizations are likely to exercise controlling actions when the actor behind the environmental demand is perceived as weak or local.

A case in point – A glance at individual response behaviour to institutional pressure

While the majority of non-profit management literature focuses on CSOs acquiescing to the pressure of becoming more business-like (Eikenberry & Klouver, 2004, only a handful studies (e.g., Baines, 2010; Jäger & Bejes, 2009) analyse coping and resistance mechanisms, of which no studies known to us apply the typology of Oliver (1991). In addition to the organizational level, responsive behaviour to environmental pressures can also be examined at the individual level.

Binder (2007, p. 565), for instance, learned in an interview with the director of Family Support – a US shelter for people facing poverty – that the former director of the department refused to resort to ‘consequenting’, i.e. the practice to hand out penalties to residents when failing the demanded progression. When asked, the actual director stated that her predecessor did not believe in the system. She kept track of progression, but when residents came up short, she did not act upon it. This example emphasizes the relative power of the ‘street-level’ professional: in the end, they decide themselves how they deliver the organizational service(s).

The recent book by Kruiter, Bredewold & Ham (2016) provides an illustration of such individual street-level response strategies. Addressing the preliminary effects of the decentralization of social service delivery in the Netherlands, Van Der Sanden, Feringa & Peels (2016, p. 34-42) distinguish four responsive patterns among youth professionals regarding this imposed transition (figure 4). Both ‘stabilize’ (“normaliseren”) and ‘not providing care’ (“ontzorgen”) are the key values of the new Dutch youth policy. Instead of (temporary) unburdening the parents by taking over a part of the family responsibilities, professional caregivers need to redirect their focus to supporting both the family and the adolescent in bolstering their social network.

While active proponents embrace these changes by supporting the implementation process, passive proponents agree with the bottom-line of the new policy but prefer to observe it from the sidelines. The opponents can also be divided in two camps. Active opposition comes in the form of hope that everything will be all right, even though they believe this will not be the case. These individuals believe that decentralization of youth care will not lead to improved service delivery and publically voice their concerns. In the same vein, passive opponents agree with their active counterparts that this policy evolution is a turn for the worst, but they prefer to stay on the sidelines. The researchers believe that both context variables and personal traits influence the individual stances regarding institutional pressure.

9 We define mission shift as the change of the mission statement. Hence, mission shift can be contrasted with mission drift. Whereas in the former case, an organization officially changes course by reformulating its mission as well as focusing on new activities, the latter refers to a scenario where the organizational activities conflict (they are “adrift”) with the mission statement.
2.2.3 Intra-organizational perspectives

Complementing the central thesis of the environmental perspectives, i.e. to understand the behaviour of an organization you must understand the context of that behaviour (Pfeffer & Salancik, 2003, p. 1) this section elucidates upon intra-organizational elements which influence organizational behaviour and structure. We identify three perspectives, namely the life cycle theory, the cultural-institutional perspective and historical institutionalism. Rooted within for-profit research, organizational scholars argue that organizations, as human beings, go through life cycle stages (table 9).

Table 9. Organizational development and stages (adopted from: Anheier, 2005, p. 151)

<table>
<thead>
<tr>
<th>Structure</th>
<th>Entrepreneurial stage</th>
<th>Collectivity stage</th>
<th>Control stage</th>
<th>Elaboration stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td>Survival</td>
<td>Growth</td>
<td>Efficiency</td>
<td>Restructuring</td>
</tr>
<tr>
<td>Innovation</td>
<td>Intention</td>
<td>Enhancement</td>
<td>Implementation</td>
<td>Renewal</td>
</tr>
<tr>
<td>Planning</td>
<td>Little</td>
<td>Short-term</td>
<td>Long-range</td>
<td>Strategic</td>
</tr>
<tr>
<td>Commitment</td>
<td>Individual</td>
<td>Group</td>
<td>Complacency</td>
<td>Recommitment</td>
</tr>
<tr>
<td>Managers</td>
<td>Entrepreneurs</td>
<td>Entrepreneurs as managers</td>
<td>Managers as consolidators</td>
<td>Managers as strategists</td>
</tr>
</tbody>
</table>

In the entrepreneurial stage, intra-organizational relations are best described as informal. Organizational members focus on developing procedures, activities in order to ‘get established’ within their business niche. If successful, the organization will gradually become more institutionalized, i.e. go from the collectivity-, control- to the elaboration stage. In this life cycle, organizations increasingly become part of the more ‘established’ organizations within its field. Once arriving to the elaboration stage, an
organization will seek to ‘scale up’ its activities by decentralizing its structure to local branches, managed by central headquarters.

Related to life-cycle theory, the cultural-institutional perspective (Thoenig, 2003) posits that along the institutionalization process, an organization develops informal norms and values, thereby creating its own ‘personal’ character, which influences the internal decision-making processes. The quantitative study of Verschuere et al. (2014) on the determinants of innovative behaviour of Flemish CSOs provides a case in point. Within this study, the authors distinguish between managerial and service innovation. Whereas the former refers to the introduction of management techniques, the latter points to developing new services or expanding the end-user group. They hypothesize, among other variables, that organizational age – being a prime indicator of the degree to which an organization developed a ‘personalized’ organizational culture – negatively correlates with the capacity to innovate. Despite the fact that this view, i.e. ‘old organizations tend to be conservative’ is rather common in organizational studies (e.g., Minkoff & Powell, 2006), organizational age proved to be the only variable not contributing to explaining innovative behaviour. Verschuere, Bedeleem, and Verlet (2014) concluded that innovative behaviour occurred to a fairly large extent both in terms of managerial innovation as well as in terms of innovative service delivery.

In line with organizational age and culture, historical institutionalism points to the historical roots as a determinant for organizational behaviour. This perspective embodies a notion of path dependency, i.e. choices made in the past shape the choices for today. Pache & Santos (2010, 2013) (see page 15) aptly illustrate the potential impact of the organizational origins on organizational structure and behaviour.

In sum, organizational age, informal culture as well as historical roots are intra-organizational elements influencing organizational behaviour. Although organizational age is regularly utilized as a control variable in quantitative research, no non-profit studies known to us— with the exception of Pache & Santos (2010, 2013)— employ these internal perspectives in a systematic manner to advance our knowledge regarding the prevalence and functioning of hybrid organizations.

2.2.4 Predicting organizational response strategies.

In addition to his typology, Oliver (1991) discusses ten variables relevant in predicting the likelihood and intensity to which an organization will oppose institutional pressure. The degree to which an organization will attempt to meet external expectations depends on a) why demands are made (cause), who is making demands (constituents), what is demanded (content), and to what degree conformity is checked (control) as well as the environment in which the demands are formulated (context). Based on table 7, Oliver (1991) formulate research hypotheses for each predicting variable, which can be empirically tested.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cause</strong></td>
<td>Why is the organization being pressured to conform to institutional rules or expectations?</td>
<td>- Legitimacy or social fitness - Efficiency or economic fitness</td>
</tr>
<tr>
<td><strong>Constituents</strong></td>
<td>Who is exerting institutional pressures on the organization?</td>
<td>- Multiplicity of constituent demands - Dependence on institutional constituents</td>
</tr>
<tr>
<td><strong>Content</strong></td>
<td>To what norms or requirements is the organization being pressured to conform?</td>
<td>- Consistency with organizational goals - Discretionary constraints imposed on the organization</td>
</tr>
<tr>
<td><strong>Control</strong></td>
<td>How or by what means are the institutional pressures being exerted?</td>
<td>- Legal coercion or enforcement - Voluntary diffusion of norms</td>
</tr>
<tr>
<td>Context</td>
<td>What is the environmental context within which institutional pressures are being exerted?</td>
<td>- Environmental uncertainty</td>
</tr>
</tbody>
</table>

**Cause**
In general, CSOs are pressured by their environment to become more efficient or to become more socially fit. While the former can for instance take shape in the demand to work more in accordance with the market standards, the latter refers to compliance to both legal rules and ethical norms. Given that these pressures are widely accepted as ‘good governance’, these pressures are often conformed to by organizations. Accordingly, Oliver (1991) hypothesizes that:

![Diagram 1](image1)

**Constituents**
Institutional demand is often heterogeneous in nature; the public opinion, government, educational institutions can all impose different—and potential conflicting—demands on organizations, limiting the organizations’ ability to conform. Hence, Oliver (1991) contends that the multiplicity of conflicting stakeholder demands results in a high likelihood of organizational resistance ranging from balancing to controlling tactics. Aiming to reduce ecological uncertainty, organizations apply varying levels of resistance to mitigate competing environmental demands. In addition to the amount of institutional expectations, the organizational response strategy also depends on the relative importance of the stakeholder to the organization. DiMaggio and Powell (1983, p. 154) for instance assert that a *position of dependence leads to isomorphic change*. Accordingly, if the stakeholder is perceived as valuable to the organization (e.g., donors, regular suppliers), acquiescence is the most eligible strategy.

![Diagram 2](image2)

**Content**
Environmental pressures in themselves can also contribute to predicting responsive behavior of an organization. First, when environmental demands align with internal objectives, organizations are more likely to acquiesce to environmental pressures. Consequently, the level of resistance will intensify as well as becoming more publicly voiced when the external expectation is not in line with the organizational goals. Despite the fact that only a few studies address the application of resistance mechanisms by CSOs against the pressure of becoming more business-like, non-profit scholars tend to point to the
incompatibility of this demand with the non-profit identity (e.g., Eikenberry, 2009). Furthermore, in addition to consistency vis-à-vis the organizational objectives, an organization needs sufficient capacity (e.g., knowhow, funds) to be able to conform to a particular environmental pressure. Second, in line with the ‘co-optation’ dilemma (Pfeffer & Salancik, 2003), Oliver (1991, p. 166) hypothesizes that the perception of perceived loss of organizational autonomy in case of conforming to an environmental demand will lead to a higher likelihood of organizational resistance. This especially holds true in regard to the control over the core activities.

Control
Oliver (1991, p. 168) defines control as “the means by which pressures are imposed on organizations”. Environmental pressure can be exerted through governmental rules or by voluntary diffusion. Hence, the greater the degree of legal coercion, the less likely an organization will resist this demand; nonconforming often results in decreased organizational legitimacy as well as legal repercussions. When more moderate, organizations tend to negotiate in terms of the compliance standards, timing regarding compliance etc. In the same vein, voluntary diffusion of certain norms and standards within a given organizational field influences the organizational responsive behavior to external pressures. If the pressure aligns with widely diffused and accepted standards in the field, an organization is likely to conform.

Context
The context in itself, and more specific the level of uncertainty as well as the number of actors within a certain organizational field influence the organizational response strategy to institutional pressure. Uncertainty can be defined as “the degree to which the future states of the world cannot be anticipated and accurately defined” (Pfeffer & Salancik, 2003, p. 67). Both the institutional and the resource dependency argue that organizations strive for stability. Accordingly, a high level of environmental uncertainty increases the likelihood of organizations to conform to environmental demands. Furthermore, resource dependency theory argues that organizations will aim to reduce environmental uncertainty by creating interorganizational linkages. Consequently, the level of interconnectedness, i.e.

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10 Within this paper, the organizational identity is framed in terms of its mission and activities, reflecting the notion “you are what you do”. van der Torre (2016, p. 71) refers to this approach as a ‘functionalist perspective’. 
the density of the interorganizational network, increases the capacity of organizations to resist environmental pressures, i.e. “united we stand”.


In consonance with the social origins theory (Salamon & Anheier, 1998), Hustinx et al. (2014) argue that it is pivotal to take the ‘historic starting position’ into account when examining organizational hybridity within civil society. Or put differently, when examining organizational hybridity, one has to conceptualize hybridization (what?), the drivers (why?) as well as elucidate on the research context (where?). Both a large size and a close entanglement of social profit organizations with the government in terms of funding, corresponding with the corporatist model of the social origins theory (table 8) characterize the Flemish third sector.

<table>
<thead>
<tr>
<th>Governmental Social Welfare Spending</th>
<th>Non-profit Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Statist (e.g., Japan)</td>
</tr>
<tr>
<td>High</td>
<td>Social Democratic (e.g., Scandinavia)</td>
</tr>
<tr>
<td></td>
<td>Corporatist (e.g., Belgium, Austria)</td>
</tr>
</tbody>
</table>

Salamon and Anheier (1998) assert that this strong intertwineament is determined by historical developments which inherently limits the range of options available at a given time and place regarding the development and expansion of the welfare state as we know it today. The strong notion of path-depency within the social origins theory might falsely suggest that the emergence of the third sector can be understood as a linear evolution, determined by the historical balance of power within a country. However, reality proves to be more complex. In addition to the socio-political balance of power, societal challenges as well as events contributed to the position and role of the third sector within a nation.

The first part of the paper elucidated both the concept and causes of hybridization, thereby setting the scene for more in-depth research questions. Although commonly used in a descriptive manner (Skelcher & Smith, 2015), we pointed out that the notion of “hybridness” (Karré, 2011) allows researchers to operationalize hybridity for empirical study. A closer look at organizational theory learned that both the direction and intensity of hybridization are dependent on the interplay between environmental and intra-organizational determinants. In the following parts of the paper, we focus on the different forms and shapes in which hybridization towards respectively the market- and community sphere can manifest itself at an organizational level as well as map the organizational effects of becoming (more) business- and common-like.
3 | Becoming more “business-like”. Organizational dynamics & effects

Building upon the grounded typology of Dart (2004), Maier et al. (2016) argue that CSOs becoming business-like can be studied through three levels of analysis, i.e. goals, structure and rhetoric. They point to economization and managerialization as the characterizing dynamic underlying respectively the process of becoming more business-like in terms of goal definition and in terms of organizational structure. Whereas the former refers to the emergence of commercial business models, the latter concerns a more subtle dynamic, i.e. the belief that an organization—in order to be successful—is ideally structured in accordance with the predominant corporate management ideas. Social enterprises combine a business-like organizational design with a double, i.e. financial and social, bottom-line. Accordingly, one can position social enterprises between the concepts of managerialization and economization. In this section, we provide a conceptual scheme based on the structure of figure 5.

![Figure 5. CSOs becoming more business-like. A conceptual outline](image)

3.1. Economization
The economization of the third sector refers to the debate whether non-profits are predominantly driven by monetary or social altruistic objectives (e.g., James, 1998). Weisbrod (1998d) for instance, ponders the question ‘if non-profits generate earned income, what then sets them apart from for-profits in terms of organizational identity as well as their taxation status? Consequently, he speaks of non-profits as ‘for-
profits in disguise”. When discussing the economization of CSOs, the concepts of ‘commercialization’ and to a lesser degree ‘conversion’ are omnipresent.

3.1.1 Commercialization

Academic research regarding commercialization, i.e. the process of generating revenue from sales of organizational services and goods (Salamon, 1993; Tuckman, 1998, p. 177), is primarily conducted on the level of goal definition and often points to the risk of mission drift (Froelich, 1999, p. 247; Weisbrod, 1998b, p. 54). Traditionally, scholars refer to the decline of governmental spending (e.g., Salamon, 1993) as well as declining in-kind donations (e.g., Froelich, 1999, p. 248) as the main cause of CSOs developing commercial activities. In contrast to the social enterprise, the amalgam of social mission with economic goals is not the point of departure but rather the result of commercialization. Weisbrod (1998b) discusses the preferability of commercial activities in function of their proximity to the social mission. Based upon the public goods and trust theory, he advances the framework of the non-profit as a multiproduct firm, potentially producing three types of goods. The first type concerns the mission-related output and can be designated as a ‘preferred collective good’, e.g. basic research and conservation by a museum. The second type is the ‘preferred private good’, which is incidentally linked to the organizational mission and has the potential to generate revenue, e.g. access to the museum. Indeed, whereas art in itself is not excludable — everyone has to a certain degree the capacity to enjoy art—the access to an art collection is. Third, in contrast to the preferred goods, the ‘non-preferred private good’ has no direct link with the organizational goals. It is only produced by the non-profit for the sole purpose of generating revenue, e.g. opening a giftshop.

![Figure 6. Modeling the non-profit as a multiproduct firm (Weisbrod, 1998b)](image)

Accordingly, Weisbrod (1998b, p. 55) contends that both types of private good can lead to ‘mission displacement’ or ‘mission drift’, i.e. sacrifice of some element in the organization’s goal in order to satisfy prospective purchasers of the ancillary services who would impose restrictions that compromise the non-profit’s mission. Consequently, non-profits tend to frame their mission statement in ‘broad terms’ in order to leave considerable leeway to develop commercial activity (Weisbrod, 1998c, p. 17) without openly distorting the organizational goals as well as to minimize tax liability (Young, 1998, p. 279). This notion of a vague mission challenges the argument of McDonald (2007) for a clear-cut mission statement. Furthermore, one must note that the opposite situation, i.e. non-profits mainly depending on major institutional donors, can equally lead to mission displacement due to non-alignment between organizational and donor interests (Anheier & Toepfer, 1998, pp. 236-237; Froelich, 1999, p. 250; Jones, 2007; Tuckman, 1998, p. 178; Weisbrod, 1998c, pp. 14-15). Therefore, Weisbrod (1998a) argues that a pure non-profit solely depends on donations with ‘no strings attached’, enabling it to produce in full autonomy the desired outputs.
Elaborating the case of the Metropolitan Museum of Art, Toepler (2006, pp. 111-112) indicates the need for a more refined conceptualization of Weisbrod’s model. The boundaries between a preferred and non-preferred private good are rather fluid and can change over time depending on the whole array of goods produced by a particular CSO. Indeed, categorizing organizational goods is a relative process; they are classified in comparison to one another. In addition, Toepler (2006, p. 112) argues that the shift from a preferred to a non-preferred private good is not problematic in itself, as long as it serves the cross-subsidization of the social mission (figure 7).

![Diagram](image)

**Figure 7. Cross-subsidization (Anheier, 2005, p. 207)**

In line with this argument, Gras and Mendoza-Abarca (2014) compute that diversification in funding by means of generating commercial revenue does bolster the chance of organizational survival. However, when exceeding the 50% mark in terms of commercial revenue, the probability of organizational demise increases due to market dependency. Consequently, Gras and Mendoza-Abarca (2014, p. 403) speak of an Icarus paradox, i.e. organizations can develop commercial activities taking into account that overreliance is detrimental to organizational survival. Several scholars (Eikenberry, 2009, p. 587; Eikenberry & Kluver, 2004) argue that CSOs weaken their appeal towards (potential) donors due to commercialization. The directionality of this crowding-out effect remains ambiguous to date (Young, 1998, p. 295) i.e. does a decline of in-kind donations lead to commercial venturing (e.g., Tuckman, 1998, p. 190) or does commercial venturing cause a drop in private gifts? Based on an experimental research design, Smith, Cronley, and Barr (2012) suggest a bidirectional relationship, i.e. commercial activity is triggered by dwindling in-kind donations which in turn diminishes donation likelihood. Therefore, commercialization can be phrased as a paradox: in order to compensate for diminishing funds, the future donor base is reduced. In sum, the changes due to commercialization regarding the organizational identity and activities are largely dependent on mission adherence as well as on the stability of market demand, prompting Toepler (2006, p. 112) to conclude that revenue diversification by commercial means can as likely be a bane as a boon.

3.1.2 Conversion

Conversion refers to a CSO formally changing its legal status, in this perspective from a non-profit to a for-profit purpose (Maier, Meyer, & Steinbereithner, 2016, p. 71). One could argue that, if commercialization is a line, conversion forms the endpoint. Several research strands emerge in regard to this phenomenon, which is mainly studied in the healthcare sector of Anglo-Saxon countries, and more specifically hospitals (e.g., Goddeeris & Weisbrod, 1998). A first research area elucidates on the factors influencing the institutional choice, i.e. the decision in which sector to establish an organization. A rational approach describes this process in terms of costs and benefits. The non-eligibility for public funding, private donations as well as the loss of a favourable taxation status can be marked as costs. Access to investors and the ability to distribute profit to shareholders can be categorized as benefits. When the benefits exceed the costs, the rational choice would be to exchange the non-profit label for a for-profit status. Changes in the organizational environment can spark changes in the cost benefit ratio. Goddeeris and Weisbrod (1998, pp. 133-135), for instance argue that a rethinking of legal construction is primarily triggered by changing legal constraints – e.g. dwindling federal grants – or market opportunities. In addition to changing legal regulations, James (2003, p. 32) indicates that both the possibility of economies of scale as well as excludability mechanisms (e.g. patents, fees) bolster conversion, thereby citing both the school and healthcare sectors as prime examples. Child et al. (2015) go beyond this rational framework by
inductively identifying three additional motivations in the initial institutional choice of Fairtrade entrepreneurs. First, entrepreneurs indicated that the choice of organizational form was influenced by their personal values. Secondly, they studied the organizational field and took the predominant normative rules and values into account, as well as (un)successful examples. And third, historical evolution proved to be a natural constraint for institutional choice. Accordingly, Child et al. (2015) conclude that due to an increasingly complex organizational landscape, the motivations regarding institutional choice are more fine-grained than a mere rational cost-benefit analysis.

A second research strand concerns the conversion process. Not only does a non-profit organization have to choose among a range of legal (for-profit) forms, but it also needs to transfer organizational goods to individual owners, which embodies the risk of enriching insiders at public expense (Jarmes, 2003, p. 35). Goddeeris and Weisbrod (1998, p. 146) recommend that the proceeds of a sale of a non-profit should go to an initiative and/or foundation whose purposes are narrowly entangled with the mission of the privatized organization. Furthermore, they note that an overlap between board trustees and/or managers from the former non-profit within the board of beneficiary foundation created with the proceeds of the sale would bolster the social heritage.

A third research strand goes out to the link with organizational performance. Tiemann and Schreyogg (2012) find for German hospitals changing from non-profit to private for-profit status an increase in organizational efficiency. This observation proved to be durable in terms of time, i.e. efficiency gains were realized year after year as well as in terms of quality, i.e. in contrast to the widespread belief there was no decline of quality observed due to the privatization of services. However, it is pivotal to interpret these results cautiously. First of all, one must note that the operationalization of concepts such as efficiency, effectiveness etc. encompass choices made by the researcher(s). For instance, effectiveness of hospital care can be measured through quality indicators (objectively) or by asking patients whether they are satisfied with the provided service (subjectively). Secondly, context matters. The comparability of the findings is constrained by the fact that these organizational transfers correspond with sectoral as well as national rules, norms and beliefs. In sum, these elements illustrate the need for a cautious approach in regard to findings in this research field.

3.2. Managerialization
Although described as one of the most dominant institutional practices, Meyer, Buber, and Aghamanoukian (2013) observe that there have been few studies on the impact of managerialism regarding the internal dynamics of CSOs. Managerialism can be defined as the belief that organizations can and should be organized and operating according to corporate management ideas and practices in order to be successful (Meyer et al., 2013, p. 173). Managerialization as the process of putting this belief into practice. This belief can manifest itself both at an internal and external level. Internally, a managerial organization is characterized by a rigid control over the operational activities, e.g. by means of clear-cut, measurable targets. On an external level, managerialism induces an economic outlook on the organizational environment, e.g. consisting of competitors, partners, investors and consumers (Maier & Meyer, 2011, p. 742; Meyer et al., 2013). In order to reach a high degree of responsiveness to external demands, managerial organizations are characterized by a constant sense of urgency; “one wants to stay ahead of the competition”. This holds especially true for donors, who should feel that their investment generates a decent social return on investment.

However, this interpretation of managerialism gives rise to a more fundamental question: is every CSO that strives for more efficiency, manageability, etc. hybridizing towards the market sphere? Despite the broad application of the concept within the non-profit field, we advocate for a clear distinction between managerialism and management (Hvenmark, 2015). Whereas the former refers to the emergence of a dominant market logic within a CSO, the latter points to the mere use of management techniques. Every CSO applies to a certain degree project management, budget management, evaluation etc. Questioning
the motivation and expected outcome of organizational habits and changes can make this distinction more tangible. However, this difference is further complicated by the observation that the notion of managerialism evolves over time. Based on a discourse analysis of annual reports produced by Austrian social profits between 1995-2008, Meyer et al. (2013) suggest that their main finding—a shift from the ‘efficiency & effectiveness’ argument to the ‘innovation’ argument as most frequent legitimating account—might herald a new stage of managerialism. In the 1990s, during the early diffusion of managerial ideas and concepts into civil society, resistance was still substantial. By 2008, the importance of efficient and effective operational processes is generally accepted, at least within the third sector. Instead, innovative behaviour became a more distinctive characteristic to legitimize oneself as an organization. Although succeeding in capturing some key dimensions of managerialism, Meyer et al. (2013) rightly indicate that their operationalization doesn’t cover the whole range of the concept. In order to provide a clearer picture on the distinction between management and managerialism—essential for moving the empirical research forward in a nuanced manner—the next section aims to unravel further the concept of ‘managerialism’ by exploring the organizational components—i.e. governance, organizational values and stakeholder relationships—amenable for becoming more business-like in the following sections.

A case in point – Performance management & measurement

Driven by a constant sense of urgency (Meyer et al., 2013), managerial organizations are characterized by a drive to continuously improve their operational activities in order to gain a competitive advantage. Typical expressions of this aspiration are elaborate strategies, indicating the innovativeness and performance-oriented culture of the organization. However, organizational performance is a slippery concept. It can be defined as the fulfillment of societal functions (performance defined as social impact) or can be understood from their own frame of reference (performance defined as operational functioning). In regard to the latter, NPM reforms stimulated the introduction of performance management, i.e. decision-making resulting from performance measurement as well as strategic planning, in many non-profit organizations. Carnochan, Samples, Myers, and Austin (2014, pp. 1015-1016) define performance measurement as the regular collection and reporting of information about the efficiency, quality and effectiveness of human service programs.

In addition to the emergence of performance management, scholars point to increasing accountability standards imposed by private and public donors when explaining the emergence of performance measurement in CSOs (e.g., Arvidson & Lyon, 2014, p. 878; Binder, 2007). This evolution is fuelled by a desire to control ‘the return on investment’—is (public) funding efficiently and effectively put to use?—rather than to evaluate the programs in order to increase organizational performance. Whereas the former is performed in function of satisfying donors, who often themselves formulate performance indicators, the latter rather corresponds with an internal drive to improve organizational performance. Hence, although performance measurement is required for both, accountability objectives do not necessarily match with organizational evaluation goals and vice versa.

3.2.1 Corporatization

Corporatization refers to the adoption of corporate governance practices by non-profit organizations. Alexander & Weiner (1998, 225) argue that adopting corporate governance [...] is not as simple as adding a new board member or making minor adjustments to the organization’s bylaws. Rather, corporatization mirrors a systemic transition to for-profit practices as well as values within the act of organizational steering. In their view, hybrid configurations are possible but can generate intra-organizational tensions due to selective borrowing. Accordingly, Alexander and Weiner (1998) characterize the corporate—and philanthropic board as opposites (table 10).

<table>
<thead>
<tr>
<th>Philanthropic Model</th>
<th>Corporate Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large board size</td>
<td>Small board size</td>
</tr>
<tr>
<td>Wide range of perspectives/backgrounds</td>
<td>Narrow, more focused perspectives/backgrounds</td>
</tr>
<tr>
<td>Small number of inside directors</td>
<td>Large numbers of inside directors</td>
</tr>
<tr>
<td>Separation of management and governance</td>
<td>Active management participation on board</td>
</tr>
<tr>
<td>Informal management accountability to the board</td>
<td>Formal management accountability to the board</td>
</tr>
<tr>
<td>No limit to consecutive terms for board members</td>
<td>Limit on consecutive terms for board members</td>
</tr>
<tr>
<td>No compensation for board service</td>
<td>Compensation for board service</td>
</tr>
<tr>
<td>Emphasis on asset and mission preservation</td>
<td>Emphasis on strategic and entrepreneurial activity</td>
</tr>
</tbody>
</table>

Based on a survey directed to 1800 American non-profit hospitals, Alexander and Weiner (1998) found that better performing, larger hospitals were more likely to introduce corporate governance than their smaller counterparts, pointing to an intriguing paradox in the literature. On the one hand, becoming more business-like is advanced as a lifeline for organizations facing financial crisis (e.g., Salamon, 1993), while at the other hand empirical research points out that rather successful organizations are becoming more business-like. The latter finding supports the notion of ‘slack resources’ as a necessity for innovation, i.e. in financial ‘good times’, organizations have the margin to experiment with program — as well as managerial innovation (Alexander & Weiner, 1998, p. 226). Furthermore, corporatization proved to be a non-linear process. Most hospitals displayed a combination between social- and corporate governance models, thereby underlining the complexity of hybridization in general.

McDermott (2007) describes the transition from housing associations in the UK, traditionally associated with voluntary, non-profit ethos, into a state-controlled agency called ‘The Corporation’ in the 1980s. Consequently, these associations became concerned with corporate governance, manifested among other things through the change from a management committee to a board of trustees as the prime governing body. Corporatization occurred through two interconnected layers, i.e. through direct governing and governing at the distance. Whereas the former refers to the composition of the board — tenants were directly represented —, the latter points to the introduction of corporate values and practices (e.g. strict time management, a formal agenda, etc.) as well as the incorporation of ‘independent’ members. In this context, McDermott (2007) points to ‘a dark side’ of corporatization. The professionalization of governing led to the rationale that a board trustee could only speak up on a subject when this was considered to be within his or her field of expertise. Accordingly, tenant governors were encouraged to speak ‘authoritatively’ on housing issues such as adequate repairs, affordable rents, etc. However, independent experts in law and finance ‘objectively’ countered these demands, which were in conflict with the interests of the house owners. Consequently, corporatization lead to board meetings best characterized as a ‘limited marketplace of options’ in which one has to decide rationally, thereby depoliticizing and ‘technicizing’ organizational governance.

**A case in point — Socres & The Shift**

In the case of Flanders, the introduction of corporate governance practices within the non-profit context is increasingly facilitated by ‘broker organizations’ setting up network platforms for the exchange of knowledge between non-profit and for-profit actors as well as matching ‘corporate volunteers’ with non-profit organizations for a seat on the board. ‘Socrates’ and ‘The Shift’, can be considered as prime examples of such ‘broker organizations’ that aim for a more explicit intertwining between the third sector and business firms.
3.2.2 Marketization
In the context of the devolution of US federal social programs in the early 1980s, Salamon (1993, 17) coined the term ‘marketization’ as the penetration of essentially market-type relationships into the social welfare arena. This reform, aiming for a more efficient welfare distribution, was firmly rooted in the New Public Management paradigm. It is in this capacity, i.e. the introduction of output-performance as the predominant steering principle in the relationship between government and civil society, that the concept of ‘marketization’ is used in the public debate. The central question in this discussion can be formulated as "which societal actor is — under which conditions — suitable to deliver which service?"

A case in point – Marketization of homeless shelter ‘De Vaart’ in Antwerp

In October 2016, the municipal government of Antwerp announced its decision to subcontract the homeless shelter ‘De Vaart’ to the consortium G4S Care-Corsendonk. Whereas the former is known as the largest private security in the world, the latter constitutes a Flemish hotel chain. Whereas this market segment used to belong exclusively to non-profit actors, the city council argued that the introduction of private companies would stimulate inter-organizational competition, which will in turn lead to improved service delivery. In the case of ‘De Vaart’, the jury motivated her decision by stating that G4S Care-Corsendonk gained the upper hand by emphasizing the efficient use of staff-members as well as their pursuit to strengthen the self-reliance of the client. Both CSOs and the academic world severely criticized this political decision. We discern three arguments. First of all, they ponder the question to what extent can care for the most vulnerable individuals in society be reconciled with the pursuit for profit? However, practice shows that profit making is not evident. Currently, G4S Care is managing refugee centres at a loss. They warned their shareholders for a potential deficit of 57 million € by the end of 2016. Nevertheless, the question remains legitimate: can a social profit distribute profit to shareholders?

A second argument is political-ideological. CSOs stress that the change of management in ‘De Vaart’ is not the consequence of negative evaluation reports. This contributes to the view that the decision is ideological rather than pragmatic in nature. Some voices go a step further by arguing that this policy is aimed at weakening the traditional CSOs.

A third argument touches upon the core of social work. Marketization, academics argue, is at odds with the basic principles of social work. Does G4S Care-Corsendonk have competent staff members? Does this shift in management not endanger the continuity, which is essential for knowledge accumulation as well as the relationship of trust between client and professional? Additionally, academics point to the creaming-off effect. In a managerialist context, characterized by measurement and performance management, professionals will be stimulated to assist those clients of which they feel that short-term progress can be accomplished rather quickly. Consequently, this perverse mechanism causes decreasing accessibility for the most vulnerable individuals among the homeless, who are characterized by their multi-dimensional, complex issues. In sum, civil society professionals and academics formulate fundamental remarks regarding the added value of the introduction of a market logic in social welfare organizations.

A case in point – The inverse movement. CSOs taking over a market activity

In spite of the popular feeling that CSOs are steadily losing ground to market actors, counterexamples can be found. For instance, the city council of Antwerp also announced in October 2016 that the recycling process of second-hand textile is transferred from a for-profit to a non-profit consortium. This transfer aims to optimize the social impact of this activity (Figure 3). First of all, the traditional textile containers, which also attract illegal dumping, will be replaced by private collection points (e.g. the post office, railway station). Secondly, collected textile will no longer be shipped to low-wage countries for processing but handled and resold in a local Work Integration Social Enterprise, i.e. Kringloopwinkel Antwerpen. Aside from contributing to poverty alleviation, the shift from an international to local market
is also sustainable in ecological sense. The profit made on the resale of the second hand textile will be donated to local charities. Finally, this transfer will result in ca. 80 extra jobs for long-term unemployed in the next two years. In sum, this counterexample—showing the competitive advantage of a non-profit over a multinational—underlines the complexity of hybridization, which can manifest itself simultaneously in different directions as well as on multiple organizational levels.

Figure 8. The inverse movement. CSOs taking over a market activity

In addition to the policy dimension, i.e. marketization as the introduction of market-based ideas and practices within a national welfare system (e.g., Eikenberry & Kluver, 2004), the concept became increasingly established in organizational research. From an organizational angle, marketization refers to the emergence of market-type relations vis-à-vis organizational stakeholders (Maier et al., 2016, p. 70). Building on this notion, we can discern three sub-trends regarding marketization.

Firstly, consumerism refers to the marketized relationship between CSO and end-user; the client becomes a customer. Sturgeon (2014, p. 406) "argues that the increasing centrality of consumption to people’s lives marks the transformation of ‘consumption’ to ‘consumerism’ characterised by the mass commodification of goods and services". Despite the fact that consumerism has the capacity to align demand and supply (the demand of the customer constitutes the predominant yardstick for organizational supply), it is also associated with creaming practices. This side effect points out that an organization in a market environment is encouraged to focus on easily obtainable gains and, by consequence, disregard the more complex demands. Sturgeon (2014) for instance, observes how the liberalisation of the UK healthcare market, i.e. from the National Health Service (NHS) state agency to any ‘qualified’ provider, met the demands of healthcare consumers. Building on the notion of ‘fighting death is meaningless, fighting the causes of death constitutes the meaning of life’, private actors, scientists as well as the NHS continuously aimed to improve healthcare services. While proponents of this evolution points to better value for tax money, opponents contend that rising consumerism led to rising health inequalities as well as a fragmentation of the healthcare, as more providers entered the market place.

Secondly, commodification refers to the alignment of organizational deliverables to the market rationale (Maier et al., 2016, p. 70). Dart (2004a) aptly describes a commodification process in a Canadian community service organization (CSO) which provides various forms of counselling and interpersonal support. In order to get rid of the perennial waiting list without hiring extra staff, the focus of the CSO shifted from long-term to short-term therapy focusing on clear-cut problems relatively easy to tackle instead of discussing the main issue(s) at large. Or put differently, organizational activity (supply) was adjusted to the market demand, thereby reaching more clients at the cost of providing a more surficial service.

Thirdly, rooted in the marketing literature (Rodriguez Cano, Carrillat, & Jaramillo, 2004, p. 179), market orientation refers to the organizational process of gathering of, and responding to intelligence regarding customers, products and competitors (Wood, Bhuian, & Kiecker, 2000, p. 213). This concept is primarily
used in the for-profit context to describe an operational mode that is beneficial for organizational performance. However, research findings paint an inconsistent picture. Based on a meta-analysis, Rodríguez Cano et al. (2004) show, among other things, that ‘early adopters’ within non-profit circles gain a competitive edge in regard to their organizational counterparts, which is manifested through a stronger capacity for obtaining resources regardless of the organizations’ objectives. However, they nuance this finding, given that only 12% of organizational performance can be attributed to market orientation, leaving substantial room for other variables. Voss and Voss (2000) examine whether one of marketing’s fundamentals is accurate in the context of the non-profit artistic setting; does customer orientation leads to the ‘logical’ sequence of better understanding of customer demands, improving customer satisfaction and thus increasing organizational performance? This proved not to be the case, leading to Voss and Voss (2000, p. 79) suggesting that a blanket extension of marketing wisdom drawn from mainstream applications may not be appropriate for non-profit arts organizations. Nuancing this finding, Voss, Cable, and Voss (2000) show that a shared value framework proves to be a key factor in identifying external constituents, thereby suggesting that market-oriented values lead to increased market orientation regarding funding sources, human resource allocations as well as program decisions.

3.2.3 Becoming more entrepreneurial

Strongly related to several concepts discussed above, Maier et al. (2016, p. 71) delimit ‘becoming more entrepreneurial’ as the incorporation of market-based values such as risk-taking, innovation etc. on an organizational level, contrary to corporatization, which (only) points to the embrace of market-based organizational values in terms of organizational governance, i.e. the level of the board. Whereas social enterprises are often framed in terms of earned income or social impact resulting from organizational activities, the concept of ‘becoming more entrepreneurial’ refers primarily to entrepreneurial behaviour within an organization. Nonetheless, several authors contend that conceptual boundaries between social enterprise, commercialization and becoming more entrepreneurial are rather slim.

Gras and Mendoza-Abarca (2014) argue that entrepreneurial behaviour and commercial activities are intrinsically intertwined. Earned income practices demand the exploitation of market opportunities, a certain degree of risk-taking as well as the development of new programs and/or a subsidiary. All these elements are core characteristics of entrepreneurship. However, while it is true that the development of commercial sidelines demands entrepreneurial skills, this does not mean that an entrepreneurial organization will develop commercial activities by default.

Departing from the notion that social enterprise often arise within non-profit or for-profit organizations, Kistruck and Beamish (2010) show that for-profit organizations are more successful than their non-profit counterparts in establishing new activities with balanced social and financial purposes. Coining this phenomenon as social intrapreneurship, as opposed to ‘start-up’ social entrepreneurship, Kistruck and Beamish (2010, p. 742) related this finding to the entrepreneurial values and culture within business firms.

3.2.4 Professionalization

In consonance with the prevailing economic outline of public authorities, professionalization of CSOs is mainly manifested through the introduction of a variety of management techniques (e.g., Alexander, 1999, p. 62; Blaschke, Frost, & Hattke, 2014) along with the emergence of ‘experts’ (e.g., Claeyé & Jackson, 2012, p. 614; McDermont, 2007, pp. 86-87) accredited by their formal education as well as by their elaborate professional network. Consequently, professionalism, i.e. the belief that professionals should do the job (Brandsen, 2009) can foster marketization (Alexander, 1999, p. 62; Claeyé & Jackson, 2012, pp. 612-613). For instance, Hwang and Powell (2009) observe that professionalization goes hand in hand with the increased use of strategic planning, financial audits, quantitative program evaluation tools and consultancy. In addition to knowledge of and experience within the third sector, managerial backgrounds are increasingly required for leadership (Suarez, 2010) and board positions (Abzug,
Galaskiewicz, 2001). In terms of leadership, Suarez (2010, p. 709) posits that the ideal-typical social entrepreneur embodies a high pedigree in both non-profit and management knowledge. Brandsen (2009) argues that managerial professionalization can lead to intra-organizational tensions. Many civil society professionals adhere social values such as commitment over other people, social concern, etc. – which Brandsen (2009) refers to as 'civicness' – which conflict potentially with their managerial counterparts, i.e. systemic, aggregate targets etc. Furthermore, as Alexander (1999) points out, professionalization can be constrained by organizational capacity. For instance, inadequate budgets can result in a lack of highly-trained staff, thereby possibly impeding the rollout of performance management deemed necessary for enhancing organizational performance, attracting additional funding, etc. Furthermore, non-profits struggle in holding on to their knowledge workers, who tend to seek better salaries and profits in large(r) non-profit organizations as well as in the corporate world after a period of training. This phenomenon can be especially devastating for small-scale organizations, where staff members fulfill a broad range of tasks and organizational memory is fundamental for organizational performance.

In line with professionalization of paid staff, Vantilborgh et al. (2011) observe a shift from collective to reflexive volunteering, i.e. lifelong volunteering in the interest of the organizations' activities changes to ad-hoc commitment arising from self-fulfilment. Drawing on the premises of psychological contract theory, i.e. mutual obligations between volunteer and manager as the base for collaboration, they argue that managers must decide whether their organization is rather in need for traditional or reflexive volunteers in order to consequently market themselves towards the envisioned target groups. In addition to recruiting, Vantilborgh et al. (2011) argue, as well as formulate practical recommendations, that board and management must take precautionary measures to counter a potential loss of volunteer commitment. Or put differently, volunteerism becomes more and more volunteer management within CSOs.

Kreutzer and Jäger (2010) go a step further by arguing that volunteer and managerial identity can lead to intra-organizational tensions. In the context of six European patient organizations, they point to three sources of conflict. First, in the sphere of authority, both paid staff and volunteers claimed to lead the organization. Secondly, volunteers expected too much output from the paid staff in order to justify the fact that they were paid, resulting in a high turn-over rate of staff members. And lastly, the use of managerial tools, i.e. written rules, benchmarking, etc. by the professional staff in order to manage the volunteers led to frustration and resistance. This systematic approach was at odds with the voluntary spirit, characterized by creativity and freedom of action.

### 3.2.5 Business-like philanthropy

Maier et al. (2016) discern two emerging trends through which philanthropy is organized in a more business-like manner. Whereas venture philanthropy links venture capitalism principles to philanthropy by providing business expertise in addition to funding, philanthrocapitalism refers to phenomenon that charity is increasingly a reserved matter for the wealthy.

Froelich (1999) points to several challenges regarding corporate funding. First, the risk of mission drift seems to be rather high given that private partners are regularly actively involved in the governance of supported programs. For instance, the emergence of cause-related marketing – by consuming a product, customers support a charitable cause, thereby killing two birds with one stone – points to a strong entanglement between contribution choices and corporate self-interest (Eikenberry, 2009, p. 585; Voss et al., 2000, p. 332; Young, 1998, p. 280). The rise of corporate social responsibility (CSR) is another case in point. Accordingly, corporate philanthropy, i.e. the collaboration between corporate donors and non-profits (Cho & Kelly, 2014, p. 694) became increasingly strategic philanthropy, i.e. corporations seeking to enlarge (non-)monetary profits through non-profit partnerships (Backman & Smith, 2000, p. 362). However, nuanced the drawback of potential mission shift, Hodge and Piccolo (2005) point out that non-profits are likewise faced with trade-offs regarding fundraising activities and government funding. Whereas the former requires time, overhead as well as high levels of professionalism, the latter
asks for a developed bureaucracy with a focus on grant – and report writing. In short, fundraising inherently comes along with a cost benefit trade-off for every non-profit organization. Second, as is the case with social enterprises, Froelich (1999) indicates that dependency of venture philanthropy makes a civil society organization more vulnerable to business and market risk. Third, beyond revenue volatility and goal displacement, venture philanthropy is increasingly marked as a vehicle for managerialization on two organizational levels. On a managerial level, it promotes professionalization, especially in regard to fundraisers with expertise in proposal writing and preferably ties to the business world. Furthermore, venture philanthropy explicitly aims for ‘social return on investment’ (Vantilborgh et al., 2011, p. 646), which is expected to be documented by the gift recipient through (social) performance measurement. On the other hand, depending on the relative share and/or level of criticality of the donation, corporate donors are increasingly represented in the board of trustees in order to facilitate the solicitation of corporate gifts (Froelich, 1999, p. 253). In sum, one could argue that business-like philanthropy led to closer ties with the corporate world, which fuels the emergence of cause-related marketing, performance management etc., as well as the trend of civil society organizations becoming more managerialist.

A case in point – Venture Philanthropy Fund

 Whereas philanthrocapitalism is mainly prevalent of the Anglo-Saxon World (e.g. Bill & Melinda Gates Foundation, Rockefeller Foundation), the Venture Philanthropy Fund of the King Baudouin Foundation explicitly aims to supplement financial funds with business knowledge in order to optimize their social impact (Boudewijnstichting, 2015). The Antwerp branch of the above mentioned ‘kringwinkels’, for instance, obtained a grant from the Venture Philanthropy Fund for the implementation of thorough lean – and agility management principles in order to increase organizational performance. Lean management goes out to increase organizational efficiency by eliminating the unnecessary production steps. Agility management aims to make an organization more responsive to change by adapting its production cycle. The European Venture Philanthropy Association (EVPA) constitutes the EU counterpart of the Venture Philanthropy Fund.

A case in point – No return, no money. Impact investing ...

 Impact investing can be described as the middle ground between traditional philanthropy and traditional investment (figure 9). Whereas the former focuses on social impact, the latter concentrates on generating profit. Impact investing refers to investments which aim to generate a quantifiable social as well as financial return on investment.

Figure 9. Impact investing (Based on Serneels et al., 2016, 150)

 An emerging instrument to engage in impact investment constitute social impact bonds. Given that both West-European and Anglo-Saxon governments are affected by budget austerity, the social impact bond builds on the idea that private venture capital will become more instrumental for the support of social initiatives. ABN Amro for instance, invested in 2013 over half a million euro in a social impact bond which focused on supporting work integration projects in Rotterdam (Serneels et al., 2016, 151). Repayment of the investment, as well the return, are contingent upon specified social outcomes being realized. In the case of ABN Amro, if the work integration trajectories with the unemployed youth succeed – they
find a job — then, both the social profit as well as the private investor receive a return of and on investment. In case that the trajectories fail, the investor loses a significant part of his investment. In Belgium, the social impact bond market is still in its early stages. The first social impact bond in Belgium was issued in 2014 for the organization DUO for a JOB.

A second example of impact investing is the SI² Fund, which invests in emerging social initiatives in the Benelux. The organizational model of applicants is judged on the potential to generate both social and financial value. In addition to financial support, they offer also coaching and consulting opportunities, corresponding with the idea of venture philanthropy.

**A case in point (bis) — ... implies impact measurement.**

Building on the notion “doing good is not good enough”, impact investing – a form of result based financing – is driven by impact measurement. The SI² Fund, for instance, applies the theory of change methodology to get a grasp on the performance within different organizational stages. Performance can relate to legitimacy, efficiency and effectiveness. Organizations are perceived to be legitimate if there exists a general perception that their actions are desirable, proper, or appropriate within the predominant system of norms, values and beliefs in society (Meyer et al., 2013, pp. 169-174). Effectiveness goes out to the performance in relation to predefined goals, aptly captured by the adage “doing the right things”. Efficiency, in contrast, focuses on the relation between input and output, or “doing the things right”. Thus a high quality service delivered at large scale with a low production costs is considered to be efficiently manufactured, i.e. a small input in relation to a large output. The surplus value for the target group determines the effectiveness of the service.

Carnochan et al. (2014, pp. 1015-1016) define performance measurement as the regular collection and reporting of information about the efficiency, quality and effectiveness of human service programs; contrary to performance management, which refers to evidence-informed decision making resulting from performance measurement as well as strategic planning. Due to the complex nature of social impact measurement in the non-profit context, knowhow and techniques are regularly developed in consonance with for-profit consultants, academics as well as end-users of the non-profit service (e.g., Carnochan et al., 2014), the most actual example in Flanders being the action-based research initiated by the Social Innovation Firm (Sociale Innovatiefabriek) in 2015.

In line with the complex character of social impact measurement, implementation challenges prove to be significant. In addition to resource constraint, i.e. the potential need to increase organizational capacity in terms of personnel and/or technology, Carnochan et al. (2014) identify several practical issues in the set-up of performance measurement in human service organizations. First, defining client outcomes raise several questions. What is to be regarded as client progress? How to assign measurable parameters to this process? What is the generalizability of the data? To what degree can the observed change be attributed to the activities of the program? Second, in terms of supporting performance measurement, organizations indicated the importance of incorporating the client’s perspective in the data, as well as transparency regarding the accessibility of the data. Furthermore, effective data mining practices as well as becoming familiar with analysis techniques demands appropriate training of staff members.

### 3.3. Social enterprise

For over two decades, civil society has experienced a growing prevalence of social enterprises, a trend generally welcomed by many policy makers. Indeed, social entrepreneurship is increasingly depicted as the paramount way to manage an organization (Andersson & Sself, 2015, p. 2721; Dart, 2004b).
Andersson and Self (2015) illustrate that strategies related to social entrepreneurship are perceived as more effective. This ‘social entrepreneurship bias’ result in new promising research avenues regarding (acclaimed) effectiveness of social entrepreneurship, i.e. how far can this positive attribution be stretched? To what degree can we coin social entrepreneurship as a form of branding? Does all type of donors embrace social entrepreneurship as a positive evolution?

However, the ontological debate as to ‘what a social enterprise is’ remains far from being settled. Defourny & Nyssens (2010) point to two predominant schools of thought. First, the earned income school emphasizes the use of commercial activities by CSOs in support of their mission by stressing that 50% or more of the organizational turnover must be market-based in order to qualify as a social enterprise (e.g., Gras & Mendoza-Abarca, 2014). Traditionally, this line of thinking is further divided into two approaches, i.e. the narrow ‘commercial non-profit approach’ which focuses predominantly on non-profit organizations, and the broader ‘mission-driven business approach’ which includes all types of businesses. Secondly, the social innovation school focuses on the person of the social entrepreneur by defining him/her as a change maker that actively seeks to innovate on the organizational and/or service level in order to enhance his social impact. However, this line of thinking implicitly suggests that every form of innovation is the result of (social) entrepreneurship. This expansive approach is rather problematic; it contributes to the idea that entrepreneurship is an essential precondition for innovation. In sum, whereas the former school of thought takes ‘income’ (i.e. commercial revenue) as the predominant principle, organizational outcome forms the main criterion for the latter.

Given that both theoretical bodies regard the creation of social value, rather than the distribution of profit, as the core mission of a social enterprise (Defourny & Nyssens, 2010, p. 44) the main challenge of conceptualizing ‘social enterprise’ can be reduced to a question of delimiting the wide spectrum of initiatives and practices by defining the outer points. US academia and consultancy firms are the main proponents of a broad understanding of social enterprises, asserting to include those organizations that fall along a continuum from major firms seeking to enhance their social impact by setting up a CSR program, to dual-purpose businesses combining a social mission with commercial objectives, to mission driven non-profit organizations. While this stance finds followers in Europe (e.g. Ashoka, Social Innovation Europe), the European EMES-research network limits the field of social enterprises to the non-profit sector and social cooperatives by formulating nine ‘ideal-type’ parameters (Defourny & Nyssens, 2010; Kerlin, 2006, p. 249). Contrasting with the notion of the ‘social enterprise’ as a spectrum of organizational forms, the EMES delimitation serves as a kind of coordinating system or compass which can help anyone to locate the position of the observed entities relative to one another (Young & Lecy, 2014, p. 4). Young and Lecy (2014) compare the field of social enterprise to a zoo consisting of six types of different animals, i.e. socially responsible corporations, hybrids, social purpose businesses, public-private partnerships, commercial non-profits as well as social cooperatives. This zoo-metaphor, acknowledging the richness of the study of social enterprise, posits that every species within the research field needs particular analysis. How narrow should the zoo be defined? Which type of animals are inimical/favourable to each other? Which animals can be domesticated for the benefit of society, which are doomed to remain wild?

A case in point – ‘Who or what do we survey when we survey “social enterprises”? A reflection

The difficulty of conceptualizing ‘social enterprises’ especially surfaces when setting up an empirical research design. Being part of a project which aimed to document the social economy within Ontario, Dart, Clow, and Armstrong (2010) provide an exemplary reflection on their development of a working definition for social enterprises, which proved to be a worthwhile task: “Our research team’s meetings with those coordinating parallel Ontario studies with nonprofit and cooperative organizations left us with an ambiguous rather than a clear sense about which organizations we could actually focus on and study”(Dart et al., 2010, p. 187).
Best characterized as a ‘conceptual funnel’, each discussion led to a narrower delimitation, i.e. “a social enterprise is …

1. ... characterized by the creation of both social and economic value”. Although in consonance with the double bottom argument of Emerson, Twersky, and Fund (1996), the point of departure proves to be too wide, given that many non-profit and for-profit organizations produce to a certain degree social and financial benefits.

2. ... characterized by a deliberate cultivation of both social and economic value. In spite of excluding both traditional non-profit and business firms, this conceptualization fails to discern social enterprises from corporate social responsibility initiatives.

3. ... an organization which has social and economic value creation as central to their organizational value creation as central to their organizational strategy. Dart et al. (2010) point to two limitations regarding this research framework. First, what is to be considered as ‘central to the organizational strategy’ and what is not? In short, where to draw the line? Second, what to do with triple and quadruple bottom line organizations? Whereas the former is characterized by a social, financial as well as an environmental value proposition, the latter adds a cultural objective as well.

4. ... is an organization which identifies itself as a social enterprise. Although providing a convenient sampling strategy, this approach is biased. As suggested by both Dart (2004b) and Andersson & Self (2015), non-profit organizations might label themselves as social enterprises for legitimacy purposes. More than a mere label, social entrepreneurship is about innovation and social impact. Accordingly, this sampling method conveys the risk of selecting organizations which falsely claim social entrepreneurship as well as the risk of failing to grasp organizations which operate as social enterprises without presenting themselves as such to constituents.

5. ... a social-purpose business. Emerson et al. (1996) describe these organizations as entrepreneurial initiatives which aim to create both financial viability and social value by employing marginal or excluded people. However, even this narrow conceptualization is problematic. When surveyed, many of the social-purpose business appeared to be a program, project or department of an established non-profit organization. Only about twenty organizations showed no formal links to existing non-profits, leading Dart et al. (2010, p. 190) to conclude that, in their efforts to define a clear sampling frame for social enterprises, they defined it virtually out of existence.

On the whole, this account provides an apt illustration of the fragile balance between inclusive and restrictive research frameworks. Dart et al. (2010) show that organizational activities, identity-based approaches as well as legal status all contain specific shortcomings as a key defining principle in regard to other organizational forms.

In line with the earned income school, Kerlin (2006) asserts that the concept of ‘social enterprise’ in the Belgian context refers to service organizations developing commercial activities on the one hand and the ‘work integration social enterprises’ (WISE) on the other hand. The Flemish ‘k-ringwinkels’, a chain of more than 100 second hand shops, form a prime example of a WISE. It intends to transfer soft skills to low qualified, long-term unemployed through the process of selling budget-friendly clothing and furniture.

However, several scholars define social enterprise as organizations that seek to solve social problems through market-based mechanisms (e.g., Battilana & Lee, 2014). If interpreted narrowly, one could argue that organizations that develop commercial sidelines are not to be labelled social enterprises. Rather, they are undergoing a process of ‘commercialization’; development of commercial activities is not pivotal for, but supportive of mission realization and/or organizational survival. Therefore, we propose a more ‘narrow’ reading of the concept, i.e. social enterprises as non-profit organizations developing a commercial activity that is both essential and instrumental for addressing a social issue. From this angle, WISEs can be considered an ideal-type example. Whereas social enterprise refers to an organizational entity, social entrepreneurship refers to the attitude of becoming more entrepreneurial.
Accordingly, although the organizational form of social enterprise is predominantly prevalent within the social economy in Flanders, examples of social entrepreneurship can be found within each segment of Flemish civil society. Several scholars argue that the pursuit of a social/business ‘double bottom line’ (Emerson et al., 1996) can give rise to organizational tensions. Based on an ethnographic case study of an American WISE — corresponding with the blended hybrid model (Skelcher & Smith, 2015) — Cooney (2006) illustrates aptly that social enterprises face both business risk in the form of competition within their economic niche as well as market risk due to broader economic trends. Subjected to the supply and demand mechanism, the in-house training of the client-employee ranged from ‘inventing work’ when demand was low to rearranging the educational blueprint when demand was high, resulting in lesson training program sequence which made no sense (Cooney, 2006, 155-156).

**A case in point – The inverse movement. Firms hybridizing towards the non-profit sphere.**

Whereas the social enterprise focuses on social impact, a multinational strives for profit maximization. Or, in the words of Nobel Prize winner Milton Friedman (1970): “the only social responsibility of business is to increase profits”. Not only are CSOs becoming business-like — the social enterprise being a prime example — but for-profit companies are becoming increasingly social-like. The hybridization of a traditional company towards the non-profit sphere is often referred to as the ‘inclusive company’.

Serneels et al. (2016, 74) define inclusive companies as traditional business firms who consciously adopt social objectives (CSR) within their mission and core strategies. Accordingly, as is the case with the social enterprise, these organizations are characterized by a double bottom-line.

Frederic De Meyer, founder of the Institute for Future Insights, proposes in a blogpost a more refined model (figure 10). He discerns four CSR-types based upon motivation (i.e. is the company self-motivated to pursue CSR or is it imposed by an external actor?) and the proximity of the CSR program to the organizational mission (i.e. is the CSR marginally or significantly linked to the organizational mission?).

- **Compliance with legislation** — When both the intrinsic motivation and the proximity of the CSR activity to the mission are rather low, the rationale of adopting CSR is typically in accordance legislative demands, i.e. guaranteeing the safety of personnel, emphasizing transparency etc.
- **Philanthropic CSR** — A classic example of a CSR initiative originating within a company but rather marginally linked to the mission are foundations (e.g. Microsoft, Walmart). Critical literature regarding greenwashing and window dressing primarily relate to this type of CSR practices.
- **Risk management** — When CSR is imposed to a company by an external actor and the CSR activities relate to the core business, the organizational response strategy can be marked as risk management. This situation occurs often in the aftermath of a disaster or public scandal. For instance, in the wake of the Deepwater Horizon oil spill, BP was forced by the public opinion to enhance their working methods in terms of personnel safety, crisis management etc.
- **Strategic CSR as competitive advantage** — When a private company voluntarily establishes CSR activities which are closely intertwined with the mission, they basically turn the problem into an opportunity. Umicore for example, transformed from a mining company to a major player in the recycling business.
Figure 10. Corporate Social Responsibility (CSR). A typology (Based on De Meyer, 2014)

De Meyer concludes by arguing that both the public demand for more sustainability as well as the potential disruption by social entrepreneurs will increasingly pressure companies to engage in CSR activities which relate to their mission.
The hybrid field between community and civil society, in contrast to the vivid debate regarding CSOs becoming more business-like, remains to date rather absent in the non-profit literature, as is the case for research on small-scale grassroots organizations in general (Billis, 2010, p. 52). Hybridization towards the communal sphere, i.e. “commoning”, is characterized by a large diversity in terms of organizational form, focus, and activities. Some initiatives are volatile and disappear over the years, some are incorporated by or mature into established CSOs. In order to grasp these informal roots, it is essential to broaden our rather formal organizational focus. Whereas the in-depth exploration of the literature on CSOs becoming more business-like focused on the ‘organization’ as the unit of analysis, this explorative part zooms out by including the meaning and role of actors within the ‘process of organizing’. As Ostrom (1990, p. 39) points out, “organizing is a process; an organization is the result of that process”. Accordingly, the essence of organizing can be framed as the introduction of steering mechanisms for collective action.

We identify four distinct concepts which refer to the dynamics within the hybrid field inbetween community and civil society. This wide range of organizational entities is generally referred to as civil initiatives (1) or commons (2). Although often used interchangeably (e.g., De Rynck, Depauw, & Pauly, 2017), one can argue that the former puts more emphasis on the actors of-, while the latter rather points to the object of collective action, i.e. common pool goods, as well as how they are ideally governed.

Figure 11. The hybrid field between community and civil society
The endpoints of this organizational spectrum, overlapping with the business- and public sphere, are respectively marked by the concepts of civil cooperative and co-production. Whereas the civil cooperation (4) as organizational form can be situated on the verge of the community, market and civil
society sphere, co-production (3) refers to a collaborative relation between citizens and public professionals. Within this section, we provide a conceptual overview in accordance with figure 11. We conclude by arguing that these concepts considerably overlap both in meaning and practice — their use often depending on the particular research angle — thereby justifying interchangeable use within both the public debate and grey literature (e.g., De Rynck et al., 2017).

4.1. Civil initiatives
Rather than an encompassing definition, the grey literature provides us with defining characteristics of civil initiatives. In an explorative mapping exercise of Flemish civil collectives, Noy and Holemans (2016) discern four criteria to which an entity must conform in order to be labelled as a civil initiative. First, in order to exclude short-term projects, they argued that a civil initiative is a structural entity that pursues long-term goals. They verified this criterion by checking whether the initiative had a legal status as well as by examining the mission statement. Second, a civil initiative must be founded by citizens. Thirdly, a civil initiative must be (partly) governed by citizens. De Moor (2013b) argues that self-governance constitutes a key characteristic of civil initiatives. Fourth, citizens must be actor within the production or service delivery process. Indeed, civil initiatives cover a wide range of organizational structures encompassing virtually every social domain. Some entities maintain close ties with public authorities, some aim to be as autonomous as possible. In the same vein, the degree of group members varies from passive to active. De Moor (2013b, pp. 8-9) suggests that this organizational diversity provides an opportunity instead of a problem, i.e. disentangling wicked problems demand a multi-dimensional, creative approach.

Making a similar mapping effort, the research centre CIVITAZ formulated five key characteristics of civil initiatives.\textsuperscript{11} In addition to pointing to the pivotal role of the citizen, i.e. as key initiator and participant as well as adherence to a social objective, the CIVITAZ research team argues that civil initiatives are characterized by an ad-hoc emergence which can be short- or long-term. Furthermore, they contend that the governance of civil initiatives is rather informal; rather than fixed rules and procedures, these organizational structures are more fluid. Accordingly, the notion of civil initiatives as coined by Noy and Holemans (2016) is narrower than the CIVITAZ conceptualization.

Several authors (Bokhorst, 2015; De Moor, 2013b; Noy & Holemans, 2016; Thomas, 2004) point to an increase of civil initiatives in Western-Europe. De Moor (2013a, 2013b) places this evolution within a broader historical framework. She describes three waves of civil initiative — or, in her terms: “institutions for collective action” — over the past millennium (figure 12).

Figure 12. Three waves of civil initiatives in Western-Europe over the past 1000 years (derived from: De Moor, 2013b)

\begin{figure}[h!]
\centering
\includegraphics[width=\textwidth]{three_waves.png}
\caption{Three waves of civil initiatives in Western-Europe over the past 1000 years (derived from: De Moor, 2013b)}
\end{figure}

Based on this perspective, she argues that every rise of civil initiatives was preceded by a period where the conventional markets functioned as the prime steering mechanism of society. Accordingly, she

\textsuperscript{11} Ca. 500 3rd year bachelor students of the UCL Limburg-Leuven in 2015-’16, conducted this mapping exercise. As to date, there is no publication available discussing this data.
relates the recent increase of civil initiative to the aftermath of the ‘neo-liberal’ 1980s. By now, we understand that the market logic behind extensive privatization and liberalization hampers for instance the shift to more sustainable energy consumption. However, although a reaction to-, commons are not to be seen as anti-capitalist according to De Moor (2013b, p. 23).

4.2. Commons

Resource economists propose two governance models for managing common pool goods. Both steering mechanisms need to ensure an optimal level of resource withdrawal, i.e. withdrawal of the amount of resources which is rejuvenated by nature. A first option is provided by the state. The coercion logic of the government can restrict access to and enforce appropriate levels of consumption. However, in this scenario, public authorities need all information in order to steer correctly. If not, they might steer against the economic equilibrium by for instance, punishing incorrectly. A second option to govern commons is provided by the market. After all, if all commons are privatized — i.e., individuals obtaining formal ownership rights — then individual interest must align with the optimal withdrawal level. Instead of individuals competing to each other, they each individually battles with nature in their quest for optimal use of the common good. However, also this scenario is flawed; neither the quality nor the conditions of the common goods can be dived equally. Hence, there are always winners and losers in this script.

Transcending this dichotomy, Elinor Ostrom (1990) proposes an alternative option based on the collaboration of individual users by pointing out that both the nationalization (government) and privatization (market) mechanisms ignore the capacity of users to communicate with each other. Being experts on the common-pool resource, individual users can negotiate extraction rules. Once they come to an agreement, it will be in their interest to monitor each other in order to ensure that the collective interest is served. However, these collaborative agreements are no “panacea” (Ibidem, p. 18). The carrying capacity of the commons might be under- or overestimated by the users and mutual controlling mechanisms might be susceptible for erosion over time. Accordingly, Ostrom (1990, pp. 185-186) proposes five organizational designs which:

1. define a set of appropriators who are authorized to use the common-pool resource
2. relate to the specific attributes of the common-pool resource and the community of appropriators using the common-pool resources.
3. are designed, at least in part, by local appropriators
4. are monitored by individuals accountable to local appropriators
5. are sanctioned using graduated punishments.

These principles underpin a credible collaboration between common-pool resource users. Building on the seminal work of Ostrom (1990), Lohmann (2016) points out that new commons, and especially information and knowledge commons are increasing receiving more academic attention. He defines ‘new commons’ as “common resource pooling associations formed by modern legal arrangements protecting pooled assets and constitutional protections of speech, association and assembly”. Furthermore, “the intentionality, formal constitution and structure, legal protections and the sheer diversity of new commons contrasts with the traditional, customary, and informal (and sometimes extra-legal) nature of old (property) commons in primary industries such as agriculture, forestry and fishing” (Lohmann, 2016, p. 11).

A case in point – The P2P Foundation of Michel Bauwens

Political philosopher Michel Bauwens (2016) argues that peer to peer (P2P) enables citizens to produce freely added value as equals. This notion is the basic premise of his P2P foundation, which aims to formulate an alternative to the capitalist notion of industrial production, based on the notion of knowledge
commons. Within this philosophy, the internet serves a prime enabler of P2P collaboration. Bauwens (2016, pp. 61-72) discerns four types of P2P modes (Figure 13):

- **Netarchical capitalism** is characterized by large scale commercial firms who offer platforms where P2P collaboration is possible, but both the control over- and profit of the platform are exclusively owned by the company. Or put differently, whereas Facebook users are responsible for creating the added value by editing their profiles and communicating with others, the monetary worth of this added value is realised solely by the company. Bauwens (2016, 63) advocates for open-end commons – i.e. the backend of the software code is publically available – supplemented with some advanced applications were one has to pay for (e.g., presentation software Prezi). In this way, the company governing the knowledge common realises a viable business model while optimizing its societal benefits.

- **Distributed capitalism** refers to a P2P movement which aims at making profit but allows users to share in this profit. In addition to Bitcoin, Airbnb is probably the most famous example of distributed capitalism. These systems transform individuals to ‘micro-capitalists’, i.e. in addition to a regular job, people are challenged by online platforms to optimize the financial worth of virtually every aspect of their life, e.g., selling extra portions of a home-cooked meal, car-sharing. However, Bauwens (2016, 69) argue that the capitalist system is better controlled by a lot of peers instead of by a few multinationals.

- **Local resilience** is a decentralized movement which aims to transition from the capitalist to a post-capitalist community model. This P2P collaboration aims to realise social value. The notion of a social-ecological society, as presented and discussed by Holemans (2016) fits into this quadrant.

- **Global commons** are the ideal-type commons according to the P2P Foundation. Global commons are P2P movements which aim to create social benefit supported by a transparent central structure which is to a high degree accessible to virtually every peer.

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**Figure 13. Four P2P movements (derived from: Bauwens, 2016, p. 61).**
Despite the increasing interest in new, digital commons, citizens keep uniting themselves around traditional commons, sometimes even explicitly referring to the historical background of the movement (e.g., De Pauw, 2015).

4.3. **Civil cooperative**

Incorporating elements from the market, civil society and communal sphere, the civil cooperative can be situated in the triangular model on the intersection of the communal, market and civil society sphere (figure 11). A civil cooperative is characterized by four elements (Bokhorst, Edeelenbos, Koppenjan, & Vrielink, 2015). A civil cooperative is an autonomous organizational entity that aims to produce a good or deliver a service. Indeed, rather than generating earned revenue it aims to create social or cultural value for the members of the cooperative. Furthermore, in terms of governance, the cooperative is owned by the members; they are the governors of the organization. Consequently, not every juridictional cooperative is a civil cooperative and vice versa. Barrez (2014) for instance, discusses the wide array of cooperatives in Western-Europe, ranging from Swiss supermarkets (e.g., Coop) to workers cooperatives in Mondragon, to the set-up of a Belgian cooperative bank, i.e. NewB. The hybrid structure of civil cooperatives is aptly described in the preliminary case study by Bokhorst (2015) on the Dutch healthcare cooperative Hoogeloons. This local cooperative, which counts approximately 230 members (10% of the village) aims to provide care to people who suffer from a physical or mental impairment in order that they can longer live within their own house. The operational range of the cooperative more or less matched those of the community. Hoogeloons employs 25 professionals as well as 60 volunteers. In addition to providing care, they cooperate with other healthcare facilities. Each six months, every client is evaluated with the family members and a healthcare plan for the next six months is drawn up. The philosophy behind this organization is that the small-scale organizational level leads to better ‘tailored’ and more quality care. Furthermore, both the genesis as well as the goal of the cooperative aligns with the Dutch policy model of the participation society. Furthermore, compared to a non-cooperative context, the members indicated that they felt more ‘in control’ of the healthcare process as a result of their membership. In addition to the social welfare- and community logic Bokhorst (2015) observes two hints of a market logic. First, in addition to the juridictional status of ‘cooperative’, the organizations’ assets (e.g. buildings) were placed in a foundation. Whereas the governance of the cooperative itself is in the hands of the members, this is not the case for the foundation. The motivation behind this construction was the belief that “organizational decision-making should be done in a rational and not emotional way” (Bokhorst, 2015, 32). Second, the cooperative also disposed over a digital platform which connected those in need of care with care givers. For this service, a transaction fee of 9% was charged. This platform was also shielded off from the members by setting up a private company. In this way, investors— who funded the development of the platform — where guaranteed their annual return on investment. In sum, this case illustrates well how civil cooperatives are situated in the communal, business and civil society sphere.

4.4. **Co-production**

Although co-production is arguably not a new phenomenon, the academic interest in the subject is. Brandsen and Honingh (2015, p. 431) define co-production as the “relationship between a paid employee of an organization and (groups of) individual citizens that requires a direct and active contribution from these citizens to the work of the organization”. Co-production differs from volunteer work in terms of intent. Whereas volunteers are motivated to make a difference for a defined cause other than their own, co-producing citizens are rather driven to make a difference in their own life or environment. Transcending the search for an encompassing conceptualization, Brandsen and Honingh (2015) distinguish varying degrees in both professional and citizen involvements. First, one can discern cases within the co-production literature where citizens merely co-implement services, others describing
citizens as both co-designing and co-implementing. Second, there is variation in the extent to which active citizen participation aligns with the core activities of an organization. Brandsen and Honingh (2015) illustrate this last point by describing the role of university alumni. When teaching a guest lecture, they contribute to the core activities of the institution, namely education. However, when speaking on behalf of the university at a network event, they contribute to the organizational interests (e.g., fundraising, public image) which are arguably different from the core activities. The researchers refer to this distinction as a ‘complementary’ and ‘noncomplementary’ or core activity. Consequently, they discern along these two variables four types of co-production (table 11).

### Table 11. Four types of co-production (Adopted from: Brandsen & Honingh, 2015, p. 432)

<table>
<thead>
<tr>
<th>Complementary</th>
<th>Implementation</th>
<th>Design &amp; implementation</th>
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<tbody>
<tr>
<td>Co-production in implementation</td>
<td>Complementary co-production in service design and implementation</td>
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<tr>
<td>Co-production in the implementation of core services</td>
<td>Co-production in the design and implementation of core services</td>
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Furthermore, based on a systematic literature study, Voorberg, Bekkers, and Tummers (2015) propose to abandon the synonymous use of co-creation and co-production. They contend that the concept ‘co-creation’ primarily refers to the citizen as co-designer or co-initiator, whereas the term ‘co-production’ denotes citizens co-implementing a public service. These conceptual efforts, i.e. proposing typologies and conventions, are important steps forward. Not only do they create a shared basic understanding of the phenomena under study, they will also allow for cross-sectoral and cross-national comparison.

In addition to the ongoing conceptual debate, this research field is characterized by methodological singularity – methods other than case study are almost non-existent (Voorberg et al., 2015) – which constrains the generalizability and the comparability of findings. Furthermore, the clear focus on the process of co-production results in limited insights on the outcome of co-produced services. The notion “that involvement of citizens is a virtue in itself” (Voorberg et al., 2015, p. 1341), seems to preclude scholars to elucidate upon the question wether social needs are indeed better served through co-produced services. For instance, Brandsen and Helderman (2013) warn for the emergence of gated communities, i.e. group members creating subtle excluding mechanisms vis-à-vis non-members. Indeed, the democratic quality, and more broadly the potential risks of co-production are important questions that yet need to be adressed in full (Vanleeene, Verschuere, & Voets, 2015).

Although co-production primarily refers to a direct relationship between the public sector and citizens, thereby seemingly ignoring the bridging function of non-profits, CSOs can emerge in co-producing processes in the role of the professional. For example, in their study on citizen motivations for engaging in coproducing, Vanleeene, Voets, and Verschuere (2017) describe the community development project ‘De Site’. Situated in one of the most deprived areas of Ghent, Belgium, social professionals of ‘Samenlevingsopbouw Gent’, mandated by the local government, encourage and support underprivileged people to participate in urban farming. Benefits of participation are threefold, i.e. social contact, access to healthy food and the ability to earn a small amount of money, provided in a complementary currency ‘Torekes’ which can be consumed locally (Vanleeene et al., 2017, p. 119).

Within the co-production literature, professionals can be framed in terms of the ‘losing party’, given that the citizen replace them to a certain amount. However, modern-day notions of professionalism accept that expertise is rather dispersed, i.e. both the provider and end-user of a service have unique insights in the service delivery process (Brandsen & Honingh, 2015, pp. 429-430). Whereas in the organizational hybridity literature the term ‘professionalism’ primarily points to the belief that a professional is best placed to execute a task (e.g., Brandsen, 2009), in the co-production context, the concept ‘professional’ rather refers to organizational membership (Brandsen & Honingh, 2015, p. 430). Or put differently, the term professional is used to distinguish those who participate as a representative of a formal organization from the citizen. Voorberg et al. (2015) indicate that the attitude of public professionals constitutes as an important predicting variable for likelihood of co-production occurring. For instance, if professionals feel that they might lose (too much) control over their responsibilities, they might be more hesitant to co-
produce. In addition to the attitude of professionals, they point to the compatibility of the public organizations to citizen participation, i.e. are there specific practices in place to enable co-production, as well as to the importance of clear incentives for co-production (e.g., Ostrom, 1996), i.e. the degree to which a public service can benefit from active citizen involvement.
5 | Conclusion

This position paper aimed to paint the larger picture regarding the organizational hybridization of CSOs by examining the international non-profit literature. More specifically, we focused on the definition, drivers and effects of organizational hybridity. In light of the presented material, what might be learned and what remains to be learnt?

Conceptualization

Organizational hybridity is an elusive concept. In one sense, hybridity includes every organization that displays to some degree multiple organizational traits or logics. Furthermore, the process of becoming more hybrid can be described as ‘multi-directional’, both within an organization (e.g., Hustinx et al., 2014) as well as within an organizational field (e.g., a CSO taking over a market activity as opposed to the ‘seemingly dominant’ pressure to become more-business-like). Although one can opt to coin hybridity as an encompassing characteristic of CSOs (Brandsen et al., 2005), doing so greatly diminishes the explanatory value of the concept (Skelcher & Smith, 2015).

The problematic character of the concept can be overcome by introducing the notion of ‘hybridness’ (Karré, 2011), i.e. taking the intensity of the hybrid character into account, which allows non-profit researchers to transition from the conceptual debate into empirical research as well as to conduct comparative case study analysis in a more ‘objectified’ manner. This approach grasps hybridity as a spectrum of organizational forms of which the outer points consist of ideal-type organizational models. This spectrum can be objectified by defining organizational dimensions which allow for quantifiable scoring and can be assembled by means of a survey. In addition to clarifying the degree of hybridity of the organizations under scrutiny, this data allows for purposive sampling for further case study research, i.e. the degree of organizational hybridity as the prime yardstick for case selection.

Drivers

Within organizational theory, drivers of organizational hybridization are often framed within the boundaries of environmental determinism versus strategic choice. Whereas the former ignores the agency of organizational actors, the latter tends to suffer from a cognitive bias that attributes (too much) causality to managerial actions. For instance, this belief leads often to the simple solution of replacing managers when organizational activities take a turn for the worse.

We seek to steer a middle course between both perspectives here and discussed three environmental perspectives as well as three intra-organizational elements which influence organizational behaviour. In terms of environmental demands, the institutional- and resource dependency theory argues respectively that these are shaped by norms, values and beliefs of the predominant institutions in an organizational field on the one hand (DiMaggio & Powell, 1983) and resource dependencies on the other hand (Pfeffer & Salancik, 2003). In addition to these two theoretical frameworks, the institutional logics approach argues that environmental rationalities or ‘institutional logics’ serve as the key principle to which organizational actors operate (Skelcher & Smith, 2015). This perspective allows researchers to approach organizational hybridity from an actor centred perspective, which is of particular salience in a case study research design (e.g., Hustinx & De Waele, 2015).

These diverging views induce different conclusions about appropriate organizational response strategies. Building on these differences, Oliver (1991) proposes arguably the most complete typology of strategic organizational responses to environmental pressures (van der Torre, 2016, p. 62).
Interestingly, while only a few authors studying the organizational effects of hybridization focused on organizational coping or resistance strategies (e.g., Kim, 2015), the majority took this rather as a starting point of their investigation.

In terms of intra-organizational elements influencing organizational behaviour, theoretical literature points to organizational age, origins and culture. Attention for these internal factors, with Pache and Santos (2010; 2013) being the exception, was almost non-existent within the consulted literature. However, we believe that it is rather essential to incorporate this aspect in our future research in order to nuance the perception that organizational hybridization – and more specifically becoming more business-like – is solely the result from external pressures imposed upon CSOs.

**Effects of becoming more business-like**

A growing body of literature points at CSOs becoming more business-like by incorporating entrepreneurial practices, values and ideas (Meyer et al., 2013; Weisbroad, 1998d), but also focuses on the presumed risks of this trend (Eikenberry & Klüver, 2004).

Scholars point to myriad organizational changes and effects due to becoming more business-like with ‘mission drift’ followed by business- and market risk as the most consistently cited risks. We suggest four avenues for further research. First, in accordance to the observation of Dart (2004a), the predominant focus of this debate is situated on the level of goal definition and planning. Consequently, a lot of ground remains to be covered in terms of governance arrangements as well as management. A better understanding of how becoming business-like influences day-to-day interactions on the work floor in terms of steering and acting constitutes a first step towards formulating ‘good practices’ on how to implement business-practices within CSOs.

Secondly, whereas the scope of the academic debate is currently on the trends of ‘marketization’, social entrepreneurship as well as commercialization, a broader research interest should be encouraged in order to understand the organizational impact of ‘becoming more business-like’ in its entirety. Methodological analysis learned that approximately one third of the scholarship under scrutiny was conceptually-theoretical of nature, i.e. lacking empirical data. Building on the notion that ‘the proof of the pudding is in the eating’, more empirical research on the subject is essential (Vantilborgh et al., 2011, p. 646). How widespread is the trend of ‘becoming business-like’ across sectors as well as countries? How pervasive is the impact of ‘becoming business-like’ for organizational structuring?

Thirdly, more than half of the discussed literature has an exclusive Anglo-Saxon focus. Only a small minority of the publications focus on Europe, underlining the necessity for more research in continental Europe. Both the conceptualization (Evers & Laville, 2004) as well as the place and position of civil society within society differs on both sides of the Atlantic (Salamon & Anheier, 1998).

Fourthly, the majority of the cited effects of becoming more business-like are rather negative for the organization and/or organizational stakeholders. Maier et al. (2016, p. 79) argue that studies pointing to negative effects predominantly employ qualitative methods, whereas studies focusing on the positive effects of becoming more business-like tend to use the full methodological spectrum. We hypothesize that this argument is especially valid for the study of ‘managerialization’. Whereas management merely points to the use of management techniques (e.g., HR, budget allocation), managerialization refers to the belief that business-like behaviour is the paramount way to improve organizational performance. Hence, all CSOs employ to a certain degree management practices, but not all CSOs are managerialist. In order to distinguish these two phenomena qualitatively, a researcher might focus on the rather ‘extreme’ effects of becoming more business-like. Consequently, quantitative and comparative methods might be better suited to capture less visible improvements in addition to the more visible deteriorations.

In sum, to advance our knowledge on organizational effects of CSOs becoming more business-like, research should become more diverse in terms of concepts (transcend the focus on managerialization, commercialization and social enterprise), organizational level of analysis (transcend the focus on the mission), methodological design (transcend the qualitative focus) and context (transcend the Anglo-Saxon focus).
Exploring the hybrid field between civil society and community

In contrast to the vivid public and academic debate regarding CSOs becoming more business-like, the hybrid field between community and civil society is rather absent in the non-profit literature. Accordingly, our analysis is characterized by its exploratory character. Although pointing out the conceptual uniqueness of the concepts civil initiative, commons, civil cooperative & co-production, one can argue rightfully that these overlap to a considerable degree. For example, vzw Ademloos is a civil collective which arguably co-produces mobility plans as well as advocate for a common-pool resource, i.e. non-polluted air.

This in mind, we ponder the question whether the ‘organizational hybridity’ is a valid approach to investigate the hybrid field between community and civil society. As pointed out above, organizational hybridity can be operationalized through the notion of hybridness (Karré, 2011), which coins hybridity as an organizational spectrum of hybrid entities between two ideal-type organizations, respectively organizational ideal-type 1 and 2 in figure 14.

<table>
<thead>
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<th>Organizational ideal-type 1.</th>
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<td>e.g., CSO</td>
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<th>Organizational ideal-type 2.</th>
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<td>e.g., business-firm</td>
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**Organizational of hybrid entities**

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**Figure 14. Operationalizing organizational hybridity**

Given that the ‘ideal-type’ organization within the community sphere, characterized by its informality, embodies the family, it is rather doubtful whether bottom-up civil initiative can be adequately captured through the concept of hybridness. Rather, we suggest a broader lens to study the hybrid field between civil society and community by including the meaning and role of actors within the process of organizing, rather than the endpoint of that process, i.e. the organization (cfr. Ostrom, 1990). Civil cooperatives might be an exception; they can be studied within the organizational spectrum between the ideal-typical business firm and non-profit. Indeed, some scholars situate civil cooperatives as part of the social enterprise research (e.g., Thomas, 2004).
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