

Anjan Ghosh, FP/09/2010

Thesis Title: Strategic Transition towards Organizational Hybridism – An inquiry in a Social Enterprise

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EXTENDED ABSTRACT

“Falling churches do not become retail stores; nor do firms transform themselves into churches”

-Hannan and Freeman (1977:957)

It is seldom that organizations opt for a transition from one institutionalized form to a radically different one (Haveman & Rao, 2006). However, recent research suggests that many organizations across sectors are developing and transitioning into new hybrid forms that retain elements of their existing forms but also include elements from other radically different forms (Battilana & Lee, 2014). “An important transformation is reshaping the formal structures of once distinct entities, such as religious groups, hospitals, schools, family firms, and government agencies, into analogous units of a higher and more abstract order, called organizations” (Bromley & Meyer, 2014:2).

Whilst strategic management research has shown resurgent interest in new forms of organizing, especially in hybrid organizing, the extant focus remains on *being hybrid* surprisingly overlooking the aspects of *becoming hybrid*. Hybrid organizing as a *strategic transition – changing the organization’s current mode of cognitions and actions in addressing opportunities or threats from the environment* (Rajagopalan & Spreitzer, 1997), thus needs more attention. Exploring the transition is important for three reasons. First, it grounds the research on hybrid forms to institutionalized organizational forms; lack of grounding has been a limitation of extant research on hybridism (Dhillon & Orton, 2001). Second, it promises insights into why some organizations transition into hybrid while others do not. Third, it sheds light into the different organizational options and subsequent actions for transitioning into hybrid form.

In my doctoral work, I adopt discovery epistemology (Locke, 2011) orientation and an instrumentalist (Dunn, Kilduff, & Mehra, 2011) bent to develop insights into “*Strategic Transition towards organizational hybridism*”. Organization in traditional non profit form shifting into social enterprise (SE) that blends elements from for-profit and not-for-profit organizational forms (Battilana, Lee, Walker, & Dorsey, 2012), offers a rich setting for studying the strategic transition to hybridism. Through reflexive case research on a leading Indian NPO¹’s journey to social entrepreneurship, this *strategy process* (Chakravarthy & Doz, 1992; Mintzberg & Lampel, 1999; Pettigrew, 1992) study intends to explore the organizational *decision* and *transition* of going hybrid

Organizational decision to go hybrid

In the first part of my doctoral research, I try to explore the organizational decision-making towards going hybrid. *How does an organization, established in an institutionally legitimated form, decide to go hybrid?* I conduct a year-long *ethnography* in a leading Indian non-profit, Child In Need Institute (CINI), an organization deeply embedded into the rapidly changing Indian context. The findings show how the decision making process towards hybridism unfolds. I theorize the decision making by (1) surfacing and explaining three key organizational rational heuristics (Bingham & Eisenhardt, 2011) e.g. ‘*legitimacy balancing*’ that influence the organizational decision towards adopting a hybrid form, (2) conceptualizing a process model of ‘*pre-hybrid organizing*’ with the cycles of *meta-debate*, *template trial*, *break-in* and *hybrid grafting* as constituents.

The first part of my doctoral work makes three contributions. First, while studies have explained how environmental changes may trigger organizations into considering a shift to hybrid forms (Austin, Stevenson, & Wei-Skillern, 2006; Dacin, Dacin, & Tracey, 2011; Dees, 1998; Mair & Martí, 2006), I

¹ Non Profit Organization

show the role of organizational elements in shaping this potential decision. Second, while many studies on hybrids have focused on the challenges of strategy implementation in already established hybrids (Battilana & Dorado, 2010; Battilana, Metin, Pache, & Model, 2015; Cooney, 2006; Jay, 2013; Pache & Santos, 2013; Santos, Pache, & Birkholz, 2015), I highlight the dynamics of strategy formation and decision-making about whether to turn hybrid (or not) during *pre-hybrid organizing*. Third, I reveal how the decision of moving towards a novel organizational form is a negotiated choice situated in the larger process of organizational change and how the decision could be path, power and time dependent. The theorization that has transferability to other contexts, such as corporate considering triple bottom line, goes beyond “hybrid organizing as an option” and opens up discussions on “negotiated choices for hybrid organizing.”

Organizational transition to hybridism

In the second part of the doctoral study, I explore the research question “*How could an organization transition into hybrid form?*” Extant literature on organizational hybridism largely focuses on two areas – the reasons for organizations to consider hybridism and organizing within the hybrid form. The challenge while transitioning into hybrid form, especially for organizations those are settled into institutionally legitimated form, is an area that remains understudied.

To explore the research question, I continue my research at CINI and conduct *participatory action research (PAR)* with CINI management to explore, experience and navigate through the challenges of becoming hybrid. As part of the transition process, the PAR team (hereinforth ‘we’) conceptualized, rolled-out and managed CINI Community Initiatives (CINCOMM) – a *section 8 not-for-profit company*, as a sponsored spin-off of CINI, thereby creating unique opportunity for me to study the parent, the offspring and the exchange between them in attaining hybridity. At the end of three and half years of participatory action research that made positive social contributions, the research outcomes promise to inform both academia and practice:

Social Contributions. The participatory research helped CINI to attain a few organizational milestones. CINI’s low cost nutritional product - produced and marketed by CINCOMM, as of July 2016, reaches more than 50,000 malnourished children every morning through various government programs. As part of the research, we developed a community based social entrepreneurship model “*Community+*” to empower community women to become producer and supplier of products and services for the development marketplace. Our first factory came out in a remote and vulnerable² area in the Sundarbans – an area that had no electricity or water supply and was connected to the mainland through a narrow road.

The model “*Community+*” has been selected for pilot by the Government of West Bengal and the Government of Jharkhand. Till June, 2016, “*Community+*” has been getting piloted in ten locations creating direct livelihood opportunities for more than a hundred rural women and empowering them to become social entrepreneurs. That way, the research contributes to two social issues – combating child malnutrition and generating livelihood. CINCOMM in three years (April, 2013-March, 2016) has created untied funds of over INR 11 million for CINI from CINCOMM’s earning of INR 79 million.

Academic contribution. The participatory engagement helped me to surface and to propose newer theoretical perspectives in the scholarly area of hybrid organizing. The work proposes a *plausible trajectory* for transitioning into hybrid organizational form. The proposed conceptual framework has *incubation, structural separation, strategic integration* and *facilitated diffusion* as the four constituent phases through which an organization may attempt or transition into a hybrid form.

Furthermore, I show how the meaning of *being social* and *being hybrid*, get repeatedly reconfigured by the organizational actors during the transition. From the understanding, I conceptualize product, process

² <http://www.thehindu.com/news/cities/kolkata/sunderbans-vulnerable-to-floods-and-cyclones-says-report/article7496334.ece>

and profits as the core means of making social impact and offer *a typology of social enterprise*. I extend the trajectory framework to propose a concept of the *zone of hybridization*. With the concept, I provide answer to an important question “if a sponsored spinoff is created in attempting hybridism, which one becomes hybrid - the parent or the spinoff?” My framework suggests multiple possibilities with both *parent and offspring becoming hybrids* as one extreme possibility. Contrary to general belief, this conceptual framework shows ‘*the parent organization continues to its original core form post the creation of hybrid spinoff,*’ as not the only possibility but one of many possibilities.

In the final part of the study, I show how without institutionalized templates to follow and (thus) with inadequate vocabulary for sensemaking and sensegiving, organizations attempt the journey towards hybridism. With an inadequate vocabulary, it becomes challenging for the organizational actors to convince the target audience in earning legitimacy for its attempted hybridity. The research reveals how the organizational actors address such challenge through a complex vocabulary renewal process while attempting hybridism. I show how seven concurrent, interrelated and iterative processes - *reviewing reaction, initiating renewal, revisiting category logic, reorienting, reengineering core, fabricating and double-looping* contribute to the vocabulary renewal during the transition. Collectively, my conceptual models connect as well as contribute to the broader domains of strategic renewal, hybrid organizing, social entrepreneurship, sensemaking and organizational spinoff.

Practice contribution. The research has important implications for practice. First and foremost, organizations attempting hybridity often gets access to only a few narratives on ‘what the managers actually did’; however, a large number of such stories represents heroic accounts and promotes best practices. My doctoral research presents frame to frame cinematographic account of an organization’s journey to hybridity providing deep insights into the day-to-day challenges of the participating actors.

Many organizations intend to go hybrid but refrain from doing so because they fail to visualize the start and end point of the transition trajectory; i.e. un-answered queries remain, like ‘How the transitioned organization would look like?’, ‘What would be the new activities, offerings’, etc. Practitioners may consider the proposed *trajectory framework* to develop a plausible approach in planning hybridism. The proposed concept of *zone of hybridism* helps the practitioners to realize that (and plan for) continuous interaction with the relevant audience during the transition is critical in attaining legitimacy for the new form; and such exchanges with the relevant audience will make the hybrid form to go through many reconfigurations before stabilizing. The *classification of social organization* has potential to help the practitioners to consider and decide on the intermediate and intended final organizational configurations.

To sum up, this doctoral work draws scholarly attention on the process of organizational transition to hybrid form. Specifically, by theorizing the transition decision and mechanisms, it sensitizes scholars to the complexity associated with the transition dynamics towards hybridity. Empirical research on hybrid organizing is often criticized for its lack of grounding in the existing organizational forms. Research on transition to hybridism can provide the grounding by establishing connections between the existing (institutionalized) forms to the new (hybrid); my study initiates the journey towards that direction. By treating *hybrid organizing as a strategic transition*, I invite future research to test, challenge, modify, and complement this work in advancing research on hybrid organizing.

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