

Managing Hybridity: (Inter-)Organizational Strategies in the Fair Trade Field

Abstract

This paper aims to examine the concrete strategies through which organizations may reach compromises between conflicting logics. To reach this goal, this paper tries to capture some of the interactions between the organizational, inter-organizational and field levels in terms of management and diffusion of plural logics, using the case of social enterprises in the Fair Trade field.

Social enterprises, defined as ‘*not-for-profit private organizations providing goods and services directly related to their explicit aim to benefit the community*’ (Defourny & Nyssens 2008:5), may be considered as exemplary hybrid organizations. Their combination of economic and social goals and their location on the boundary between market and civil society makes them an interesting laboratory of hybridity experimentation as a response to multiple institutional orders (Battilana & Dorado 2010; Pache & Santos 2010a). Fair Trade is one of the most illustrative fields of social enterprise activity resulting from an advanced integration of a social movement into the market (Gendron *et al.* 2009; Nicholls forthcoming; Wilkinson 2007). Yet, Fair Trade as a field hybridizing market and civil society logics – as well as other logics linked for instance to regional contexts –, and particularly the role of Fair Trade social enterprises (FTSEs) in managing and fostering such hybridity, have received very little academic attention.

This paper aims to examine how organizations have both managed and fostered hybridity in the Fair Trade field. To this end, a qualitative methodology was chosen, using case studies to build theory rather than testing pre-existing hypotheses (Eisenhardt 1989; Eisenhardt & Graebner 2007). Two sets of data were used and triangulated to increase the validity of the observations (Patton 2002). First, a study was conducted from January 2007 to April 2009 on twelve social enterprises in four European countries: Belgium, France, Italy and the United Kingdom. These FTSEs represent different organizational models and different roles within the field, as derived from the author’s previous work.

1. Introduction

The notion of hybridity has received a growing attention in institutional theory, particularly in the literature on institutional logics (Dunn & Jones 2010; Greenwood *et al.* 2010; Kraatz & Block 2008; Purdy & Gray 2009; Reay & Hinings 2009). Hybrid logics can be identified at the level of institutional fields as well as within organizations (Pache & Santos 2010a). Using a broad definition of institutional logics, including multiple levels of analysis (eg. individual-family-organization-society) or geographical dimensions (typically global-local), hybridity can be found almost in any context. These multiple and intertwined logics can often be hierarchized, with one logic ultimately dominating if not squeezing out the others. In some cases, however, different logics located coexist with each other on the long term in a same field. This situation typically occurs when distinct groups within a field maintain their respective logics at the field level. In other cases, however, field-level hybridity may be maintained and reinforced through a process of institutional work through which *hybrid actors themselves* diffuse their arrangements across the field.

Hybrid organizations can be defined as organizations that combine institutional logics in unprecedented ways (Battilana & Dorado 2010: 1419; Scott 2001). Hybrid logics may be introduced and identified through different organizational variables, such as hiring and socialization practices (Battilana & Dorado 2010), mission statement (Campi *et al.* 2006) or resource mix (Gardin 2006). Hybrid organizations have been identified in various fields, including those relating to social entrepreneurship dynamics (Billis 2010) such as microfinance (Battilana & Dorado 2010) and integration of low-skilled workers (Pache & Santos 2010a). Yet, most of the current work focuses on organizational hybridity only as a consequence of field-level hybridity. As a consequence, it provides little account of why certain organizations attempt to integrate hybrid logics while others do not, and how this can

be managed within the organization. In other words, there is still much to understand concerning the role of actors within organizations in fostering organizational hybridity.

This paper aims to contribute to filling this research gap by examining the concrete strategies through which actors may foster and manage hybridity at the organizational level. To reach this goal, the paper examines a set of social enterprises in the field of Fair Trade.

The paper is structured as follows. After this introduction (first part), a theoretical part reviews the notions of institutional logics and hybridity, and presents the proposition underlying this article. The third part introduces the methodology and presents social enterprise in general, and in fair trade in particular, as hybrid organizations. Then, the findings are presented. The fifth part discusses the findings, particularly the possible articulation between hybridity management and diffusion. Finally, part six concludes.

2. Theory

Institutional logics

Drawing on Jackall (1988) and Friedland and Alford (1991), Thornton and Ocasio (1999: 804) defined institutional logics as “*the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality*”. This notion was introduced in institutional theory to provide “*a link between institutions and action*” or, in other words, “*between the macro, structural perspectives of Meyer and Rowan (1977) and DiMaggio and Powell (1983) and Zucker’s more micro, process approaches*” (Thornton & Ocasio 2008: 100). Institutional logics thus appeared as a useful bridge enabling to overcome the “embedded agency paradox” (Battilana & D'Aunno 2009; Lawrence & Suddaby 2006).

When multiple logics coexist, there is a situation of ‘institutional pluralism’ (Kraatz & Block 2008), involving competition and conflict between logics (Friedland & Alford 1991) or rationalities (Townley 2002). For several authors, coexistence is necessarily conflictual and results, over time, in the supremacy of one logic over another (den Hond & de Bakker 2007; Lounsbury 2007; Lounsbury *et al.* 2003). Cases have been identified, however, in which diffusion processes do not necessarily lead to the emergence of one single logic (Marquis & Lounsbury 2007; Purdy & Gray 2009; Townley 2002). Plural and conflicting logics can be sustained over time through the action of all or part of the field members: for instance, via logics hybridization within a given profession (Dunn & Jones 2010) or organizational form (Battilana & Dorado 2010); by particular field members invoking distinctiveness based on their profession (Reay & Hinings 2009), geographical position (Lounsbury 2007; 2008), and/or history (Greenwood *et al.* 2010); by a process of management as intact resource pools by and within organizations (Pache & Santos 2010a; Purdy & Gray 2009).

Hybrid logics at the organizational level

While several authors examine how mature hybrid organizations deal with different logics and manage the tensions among them, much less is known about new hybrid organizations in emerging fields. New hybrid organizations, or "novel hybrids", face *"the double challenge of having to survive as new ventures while striking a delicate balance between the [different] logics they combine[...] so as to avoid mission drift"* (Battilana & Dorado 2010: 1419). *"Dealing with multiple institutional logics is [...] particularly challenging for new types of hybrid organizations because, in contrast with organizations that incarnate existing organizational archetypes, new hybrid forms can rely neither on an existing model for handling the tension between the logics they combine nor on a pool of job candidates with experience in doing so."* (1420)

In their study of organizational responses to institutional pluralism, Kraatz and Block (2008) suggest that field-level pluralism may be an opportunity for organizations to combine identities through various strategies, for instance through compartmentalization (emergence of units each embodying a particular logic) or through institutional work enabling hybrids to become “institutions in their own right”. In a more explanatory account, Pache and Santos (2010b) adapt Scott and Meyer’s (1991) typology of organizational responses to the situation of diverse and conflicting demands, suggesting that the organizations’ responses depend on the nature of these demands (ideological or functional) and on the degree to which the demands are represented by actors within the organization (including the power balance between these actors). In another article, Pache and Santos (2010a) deepen the study of concrete devices and practices used by organizations (in this case, work integration social enterprises) to display conformance to and garner legitimacy from diverse and conflicting institutional demanders. They find that these organizations combine intact practices corresponding to either social or commercial logics rather than using strategies such as decoupling. Finally, without explicitly mentioning institutional logics, scholars working on social enterprise highlight several organizational aspects or devices that enable the combination of different dimensions or logics, primarily a social one and a commercial one (Alter 2006; Defourny & Nyssens 2006; Peattie & Morley 2008).

Both the institutional and social enterprise-focused literatures distinguish different organizational vehicles through which hybridity may be imprinted and sustained. Pache and Santos (2010a) note, however, that most studies of organizational hybridity have focused on one particular practice. In doing so, they neglect possible combination strategies through which different practices may be used to satisfy different institutional demands. Hybridization strategies should thus be considered both among and within organizational practices. Without being exhaustive, four variables are suggested here which have proved to be used by social

enterprises to strike a balance between social and commercial logics. The first two variables relate to the organizational structure, while the last two relate to its day-to-day operations.

First, the creation of new legal forms for social enterprises has brought much attention to the content and the potential of each form in terms of fostering both economic and social value creation. Starting from Italy with the ‘social cooperative’ framework, most European countries have created new legal schemes which blur the boundaries between the traditional models: traditional business forms for the commercial activity on the one hand, and nonprofit or charity forms for social action (Defourny & Nyssens 2008; Galera 2004). The creation of specific legal forms has clearly opened ‘ready-to-use’ models for managing hybridity. However, they have not been successful in all countries. Moreover, beyond the compliance with the legal requirements, there is much room for diverse interpretations and practices of hybridity.

Related to the issue of legal forms, the governance structure has raised much interest. While governance, and particularly the Board of Directors, can be seen as an interface between any organization and its environment (Freeman & Reed 1983; Pfeffer & Salancik 1978), the role of social enterprise governance in a context of institutional pluralism takes an even greater importance (Cornforth 2004; Spear 2004). A growing number of scholars describe and examine the “multi-stakeholder” nature of Boards, which concretely links the organization with a set of diverse and potentially conflicting institutional demands. The role of the Board in negotiating responses to these demands and fostering organizational hybridity, however, has received little attention so far.

Third, diversification of resources has been presented as a key avenue to hybridity by several authors in the field of social enterprise (Young 2010), for instance those examining work integration social enterprises (Gardin 2006). Diversification of resources refers not only to a

diversity of funders, but more broadly to a diversity of types of resources: market resources (sales of products), giving, subsidies, non-financial support such as volunteering, etc. The rationale is that avoiding sole dependence on one source of funding, and thereby on one specific legitimating source, may ease the pursuit of hybridity.

Finally, hybridity can be located at the staff level, either focusing on founders and top managers, or considering all employees. Related to the first focus, work on founders and more particularly ‘social entrepreneurs’ has highlighted a set of characteristics required to maintain the balance between commercial and social logics, including education and values oriented towards both logics (Christie & Honig 2006; Mair & Marti 2006; Seelos & Mair 2004). Little work, however, has examined the role of employees in maintaining organizational hybridity. Battilana and Dorado show that hiring and socialization practices are crucial to manage a reconciliation of conflicting logics in new hybrid organizations. In their study of microfinance institutions in Bolivia, they suggest that hiring employees with little previous experience and socializing them on the means rather than on the ends of the organization’s activity may prove useful to avoid sub-groups entering into conflict with each other and compromising the hybridity if not the organization itself.

3. Field and methodology

Social enterprises, defined as *‘not-for-profit private organizations providing goods and services directly related to their explicit aim to benefit the community’* (Defourny & Nyssens 2008:5), may be considered as exemplary hybrid organizations. Their combination of economic and social goals and their location on the boundary between market and civil

society makes them an interesting laboratory of hybridity experimentation as a response to multiple institutional orders (Battilana & Dorado 2010; Pache & Santos 2010a).

Fair Trade is one of the most illustrative fields of social enterprise activity resulting from an advanced integration of a social movement into the market (Gendron *et al.* 2009; Nicholls 2010a; Wilkinson 2007). Although the Fair Trade concept presents trade (market) as a mean to reach social and political goals (social movement), thus focusing on the complementary nature of commercial and social logics, it seems clear that these logics enter into competition at different levels. A growing literature examines the tensions between these logics at the field level, resulting in “pragmatic” (market-oriented) and “radical” (social movement-oriented) streams (Gendron *et al.* 2009; Nicholls 2010b; Renard 2003). But these tensions are also experienced by Fair Trade social enterprises (FTSEs) themselves, whether their background is rather social or commercial (Davies & Crane 2003; Huybrechts 2010). The role of FTSEs in managing hybridity at the organizational level and in scaling up their arrangements to the field level have received very little academic attention.

This paper aims to examine how organizations have both managed, and fostered hybridity in the Fair Trade field. To this end, a qualitative methodology was chosen, using case studies to build theory rather than testing pre-existing hypotheses (Eisenhardt 1989; Eisenhardt & Graebner 2007). Two sets of data were used and triangulated to increase the validity of the observations (Patton 2002). First, a study was conducted from January 2007 to April 2009 on ten FTSEs in four European countries: Belgium, France, Italy and the United Kingdom. Based on a five-category typology from the author’s previous work, two FTSEs were selected as emblematic examples of each of the five categories: individual entrepreneurs; small and medium businesses; volunteer-based nonprofits; multi-stakeholder cooperatives; and group structures. These FTSEs represent different organizational models and different roles within

the field; while the first two categories include more recent FTSEs with a commercial background, the last three categories are made of pioneer FTSEs having emerged from civil society dynamics. The cases were also chosen for their active role in attempting to scale up their organizational models. These ten FTSEs, located in the four countries of the abovementioned study, were examined as multiple case studies to confront emerging theoretical propositions (Yin 2009). The following table presents the main descriptive features of these ten cases, as well as the number of people interviewed in each of them.

Table 1: Description of the cases (FTSEs)

	Type of FTSE	Country	Creation	# interviewees
A	Individual entrepreneur	Italy	2003	2
B		France	1998	2
C	Small and medium business	UK	1992	3
D		Belgium	1998	2
E	Volunteer-based nonprofit	Belgium	1973	5
F		France	1974	3
G	Multi-stakeholder cooperative	UK	1981	3
H		Italy	1990	4
I	Group structure	Belgium	1970	5
J		UK	1969	4

The cases were purposefully selected to yield contrasted findings and highlight diverging patterns (Yin 2009). The study consisted of semi-directive interviews at the management and governance levels (33 in total), in-site observation, and documentary analyses. Variables used to apprehend the management of plural logics were selected among those presented in the

literature review on hybridization in social enterprises: legal form, composition of the Board, hiring practices, and resources.

In the ten cases, in-depth studies including interviews with several organizational actors at the management and governance levels enabled to better understand the symbolic nature of these organizational variables and to link them with the interviewees' broader vision of Fair Trade. These cases then provided the main material for apprehending the diffusion strategies. The questions addressing these strategies were much more open and were not based on pre-established categories.

Secondly, six further semi-structured interviews were carried out between May and September 2010 with representatives of Fair Trade networks and support structures in the field (see table 2). These interviews focused on the perception and the role of these actors regarding social enterprises as hybrid organizational models.

Table 2: Description of the networks and support structures

	Country	Role
1	Belgium	Network of FTSEs
2	Belgium	Public agency supporting Fair Trade
3	France	Network of FTSEs (national)
4	France	Network of FTSEs (national)
5	Italy	Network of FTSEs (national)
6	UK	Informal managers' network

4. Findings

All FTSEs were confronted, in one way or another, to plural institutional demands; yet the perception and salience of these demands and the types of organizational responses varied across the types of FTSEs and their regional settings. A number of FTSEs seemed to give

relatively explicitly precedence to either social/civic or market logics. The first logic was rather favored among older as well as handicraft-focused FTSEs, contrasting with more recent and commodity-focused FTSEs which were more market-oriented. Italian FTSEs generally seemed more ‘activist-minded’ whilst British FTSEs seemed more market-oriented, confirming cross-country comparisons in the practitioner literature (Krier 2008). Nevertheless, the focus here is deliberately laid on the strategies that acknowledge the plurality of logics than on those that explicitly lean towards one of these logics to avoid plurality and thus conflict – for an overview of the different strategies other than hybridity management in general, see Kraatz and Block (2008), and Pache and Santos (2010b); for an application to FTSEs, see Huybrechts (2010).

Legal forms

First, legal forms were useful to capture how FTSEs presented themselves and were perceived by stakeholders. Most interviewees, whilst seeing their organization as a hybrid somewhere between a nonprofit and a business company, chose one of these two traditional forms. In some cases, however, specific legal forms embodying the hybridization of commercial and social logics were chosen. This was particularly the case in countries such as Italy and France, in which legal forms seemed to embody a strong symbolic nature. In Italy in particular, signaling hybrid goals required adopting the specific form of ‘social cooperative’. One manager at H insisted on the importance of this legal form as a “ready-to-use” legal guarantee to avoid the dominance of one of the logics, particularly the commercial one.

By contrast, in Belgium and in the UK, hybridity in terms of organizational structure was not linked with one particular legal form. On the contrary, it seemed acknowledged that the pursuit of hybrid missions could be achieved through a variety of forms. In the UK especially, the notion of social enterprise seemed rather understood in terms of goals and practices than

through precise organizational arrangements. Hence, while specific hybrid forms were available such as the “Community interest company” in the UK or the “Société à finalité sociale” in Belgium, they were very little used by FTSEs (none in this study).

An interesting and explicit example of hybridization was the combination of two or more legal forms. This seemed to be an emerging trend in Belgium and in the UK. Several FTSEs were indeed structured as a “group” consisting of both a nonprofit and a business entity. Most of these FTSEs evolved towards this configuration from an originally nonprofit and volunteer-based form. The creation of a commercial entity to deal with the commercial activity responded to a clearer delegation of tasks, i.e. a separation of the structure in entities each reflecting a single logic. However, in all such cases in the study, mechanisms linking the two entities and ensuring strategic coherence were implemented. Typically, a common Board and/or a common manager were appointed to ensure homogeneity. This appeared as an interesting attempt to respond to both social/civic and market-oriented institutional demands in a separate way whilst conserving integration and thus hybridity at least at the levels of governance and top management.

Board composition

Another set of hybridation strategies resided in the governance structures, particularly the Board of Directors. The role of the Board as an interface between the hybrid organization and its constituents, as underlined in the theoretical section, appeared quite explicitly in several cases. For instance, in the abovementioned “group structures”, the creation of a specific commercial entity often led to the integration of Board members with a stronger business expertise. This was observed both in the case of a specific Board for the commercial entity, and when a common Board remained for the commercial and the social entities. This evolution quite logically reflected the evolution in the membership of these organizations,

with for instance individual or institutional investors taking shares in the new commercial entity and being elected on the Board. In some cases, directors with a business expertise did not originate from the members basis but were “coopted” specifically to provide their valuable expertise. While such cooptation can be seen as a strategic maneuver aiming to access new resources, several interviewees also emphasized the symbolic nature of such cooptation in terms of seeking legitimacy from market-oriented stakeholders. For instance, interviewee 3: *“We’re still perceived by the banks as a bench of idealists. We had a solid business plan but I think they didn’t trust us. Now we’ve got [two former business CEOs] on the Board and they directly contacted the bank [...] and in the week we had our loan”*.

Not only FTSEs structured as groups experienced hybrid governance. The inclusion of business expertise was relatively widespread, not only in the FTSEs giving predominance to the commercial logic, but also in some of the FTSEs with an originally nonprofit form and volunteer-based governance. This, however, entered in conflict with the democratic tradition of these FTSEs. Indeed, most of the nonprofit FTSEs had a Board composed only of volunteers because directors could only be elected among the members, who were mainly volunteers. To avoid criticism from part of these volunteers on the loss of democratic representation and the possible mission shift likely to be introduced by external directors with business expertise, some FTSEs introduced a sort of “two-level governance”. On the one hand, the formal Board was composed only of volunteers, to remain legitimate in their eyes. But on the other hand, an informal committee composed of business experts was gathered by the top manager for advice on these issues. This succeeded only to the extent that volunteers felt that they still had the main decision-making power, which was not the case in at least one of the FTSEs.

In the other sense, more business-oriented FTSEs seemed also keen to diversify the expertise available on their Board by increasing the social or civic expertise. This, however, was often less formalized than in the previous situation. Except in D, where representatives from social-background FTSEs and NGOs were coopted on the Board, in most entrepreneurial FTSEs (such as A and B), founding entrepreneurs seemed reluctant to formally involve other people in the governance structures, fearing to give away part of the control on “their” company. Hence, they rather tended to collect expertise in a more informal way, seeking advice in their networks, or trying to increase their own knowledge of the social and political dimensions of the field in which they operated. For instance, many entrepreneurs with a rather business-oriented background spent time travelling to visit producer groups and try to increase the social impact of their partnerships with the producers. As will be explained further, there also seemed to be a strong communication about this kind of involvement to display a “social” commitment and thus seek legitimacy from more established actors in the field.

Resources

Diversity of resources, at least in the terms of different types of resources (sales, subsidies, giving, etc.), was observed for in the context of the group structures. This involved clearly separating the resources between sales only for the commercial entity, and non-commercial resources (mainly subsidies) for the socio-political entity. Among the other FTSEs in the study, the trend indicated a growing reliance on sales, most other FTSEs having no other resources. For those that also received subsidies or gifts, the proportion was rather limited. The main dependence on sales might lead FTSEs to give predominance to the market logic, for instance by focusing mainly on offering high quality products in mainstream outlets and at a reasonable price, at the expense of the social dimension of the activity. However, several interviewees mentioned the hybrid motivations of most of their customers when buying Fair

Trade products. Indeed, these consumers expect that FTSEs devote the additional price compared with the market price to supporting the producers in their socio-economic development. The study, however, did not address consumer motivations and is thus unable to further explore this issue. What is important in this context is that, excepting group structures, FTSEs seemed to make little use of resource management as a hybridization strategy.

Hiring and socialization

The hiring practices observed in most FTSEs seemed closest to what Battilana and Dorado (2010) labeled the ‘mix-and-match’ approach. Indeed, new employees seemed in most cases selected for their previous education and experience corresponding to one of the logics. This was particularly clear in pioneer FTSEs with an originally activist background. Many of these FTSEs reported a deliberate orientation of their hiring practices towards a stronger business focus (education and/or previous experience in the field of business), precisely to counter-balance the domination of staff with a development or activist background. The results of such hybridization strategies were, however, mixed. In some cases, business-oriented staff was not really accepted by the original employees, leading to tensions. For instance, in E, the attempt of introducing a top manager coming from a major supermarket chain failed after less than one year, partly because many employees perceived this as a threat of evolving towards a stronger market orientation. In other cases, such as C, hiring policies focused only on business expertise led to a domination of employees embodying a business logic. Despite a rapid growth of the turnover, many of the original, social logic-oriented employees left the company, which led to much criticism from Fair Trade activists. Such failure of the ‘mix-and-match’ hiring strategy because of conflicting sub-groups seems similar to the situation described by Davies and colleagues (2010) in the FTSE Cafédirect and by Battilana and Dorado (2010) in the microfinance organization BancoSol.

However, mix-and-match strategies as an avenue to hybridity seemed much more successful in group structures. In these compartmentalized FTSEs, subgroups were inevitable given the specific goals, functioning and cultures of each entity. But the ex-ante separation of tasks seemed to prevent tensions at the operational level. One employee in I stated: *“we know they’re different, they know it as well, and we accept each other because we know each one is necessary [...] and, also, each one cares about its own business”*. In fact, the structural compartmentalization probably eliminated the fear of the “other one” discretely taking the power. Also, the focus on separate tasks enabled to socialize the respective employees mainly on the means to achieve the common end, as described by Battilana and Dorado (2010). In both I and J, for instance, the commercial entities required managers with a business experience. This was reinforced by the partnerships with mainstream market players (typically supermarkets or food companies) that constituted the main motivation for having people with a business experience, *“able to speak the same language as these [mainstream business] guys”* (interviewee 9, at J). The business-oriented people were required to have an interest in Fair Trade and development in general, but not to embody the social or development logic parallel with their business-related work. Interviewee 7, from I’s nonprofit entity, noted: *“they [managers in the commercial entity] can focus on doing a good job in the business, we won’t ask them to become activists because we already play that role [...]; they bring the money in and we make sure that it goes to the producers’ development”*.

An exception in terms of hiring and socialization was B, which mainly hired inexperienced people and trained them both on the business activity and on the social mission, including the political dimension which seemed very strong in this FTSE. Socialization thus aimed polyvalence and internal homogeneity through integrating both commercial and social logics.

Other practices

Finally, diverse practices were observed that did not fall into the previous categories, yet seemed important in terms of hybridity management. Most cases featured newcomer FTSEs with market-specific attributes (investor-owned form, explicit business strategy, staff with business education, etc.) which nevertheless exposed a social/civic commitment. Examples of practices illustrating such commitment included the participation in education and advocacy campaigns (often in collaboration with other FTSEs and NGOs), the demonstration of adequate support to small-scale producers, and manager's blogs or internal gazettes including 'activist' statements. Such willingness of FTSEs with a business background to demonstrate their 'social' practices and to participate in the broader social movement is another avenue to hybridity, similarly to what Pache and Santos (2010b) identified in the case of work integration social enterprises.

5. Discussion

The vehicles embodying hybridity were located at different levels, ranging from the most formal to the most flexible. Explicit hybridization of legal forms occurred either through specific hybrid legal forms (such as the social cooperative in Italy) or through the combination of two entities (group structures in Belgium and in the UK). The first strategy was only possible through creating a specific legal framework, which required the intervention of public authority. In this regard, Italian FTSEs benefited from the experience of older social enterprises in the field of work integration and community services (Borzaga & Santuari 2001).

The group structures involved a "compartmentalization" strategy (Kraatz & Block 2008) in which the practices were left totally intact (Pache & Santos 2010a), with resources and hiring practices adapted to the respectively commercial and social missions of each of the entities.

Only governance was in some cases (J) hybridized as the guardian of the group's cohesion and as a space to handle the tensions between the two entities (Huybrechts 2010).

Governance was a more flexible vehicle, as the composition of the Board could evolve at regular terms. The diffusion of governance models such as producer involvement or cooptation of commercial expertise happened in a more subtle, less coercive way. The British cases, for instance, suggested that FTSEs imitated each other in terms of Board composition and responded to normative pressures such as market accountability (justifying the involvement of business experts) and social accountability (justifying producer involvement).

Lacking legitimacy, FTSEs not part of the dominant trend(s) used different strategies to legitimize and diffuse their own model. FTSE A found little support in its own country (Italy) and sought alliances in other countries in which its entrepreneurial model was legitimate. In Belgium, FTSE D contributed itself to the creation of a "pluralist" network to provide normative legitimacy to the different entrepreneurial FTSEs that had followed its model. In France, FTSE B created its own network aiming to delegitimize the extant models and propose a "third way" to hybridize entrepreneurial dynamics and a radical political message. These three FTSEs confirm the legitimacy challenge facing social enterprises with a commercial background. While borrowing their basic organizational settings from the commercial sector (entrepreneurial model with a business legal form and commercial resources), they introduced other practices to display their commitment to the social mission.

Unlike the social enterprises described by Pache and Santos, however, the commercial FTSEs did not merely borrow practices from social background FTSEs, but tended to create their own avenues, with variable success. Despite its commitment to producer support and its alliances with established FTSEs in Europe, A was deemed illegitimate in Italy. In Belgium, D introduced hybridity in its governance structures and engaged in a constructive dialogue

with social-background FTSEs through network 1, thereby paving the way for entrepreneurial models. B, on its turn, hybridized commercial organizational variables (legal form, resources and governance) with a radical political message and introduced a “tabula rasa” hiring and socialization strategy to reach internal homogeneity. It legitimated its model through network 4 but this happened in a conflicting way, frontally opposing the extant networks.

The stronger autonomy of commercial FTSEs in defining their hybridization strategies may be explained by the increasing importance of the commercial over the social logic, as suggested by several authors (Ballet & Carimtrand 2010; Fridell 2007; Reed 2009). This may also explain the increasing borrowing of commercial practices by social-background FTSEs, either through group structures or while remaining as a single organization. The increasing dominance of the commercial logic in Fair Trade makes the comparison easier with social enterprises in Microfinance (Battilana & Dorado 2010) than in fields such as work integration (Pache & Santos 2010a). However, the different cases examined here suggest that organizational responses do not merely consist in satisfying the commercial logic rather than the social one, but include innovative hybridization strategies which are diffused so as to feed the field-level hybridity.

6. Conclusion

This paper used several cases of Fair Trade social enterprises to examine concrete strategies enabling to (1) internally reach compromises between conflicting logics; and (2) diffuse these compromises through individual and collective institutional work, thereby reinforcing field-level hybridity. On the first point, several organizational vehicles were identified for sustaining organizational hybridity: the legal form(s), the governance structures, the resources and the hiring practices. FTSEs used one or often several of these vehicles to respond to various institutional demands, particularly market and social accountability.

The study confirmed the importance of founding origins observed by Pache and Santos (2010a), but suggested other types of responses. Due to the increasing dominance of the commercial logic at the field level, FTSEs with a commercial background enjoyed more autonomy in displaying their commitment to the social mission parallel with their commercial settings (legal form, resources, etc.). In the other sense, social-background FTSEs seemed particularly willing to gain market legitimacy, either through isolating the commercial activity in a specialized entity, or through adopting business-oriented governance and hiring practices.

However, these findings should not hide the limitations of the paper. First, the research design aimed to highlight several patterns for managing and diffusing organizational hybridity. It thus purposefully included a relatively high number of cases in four different regional settings. The main limitation is thus that none of the highlighted patterns could benefit from an in-depth analysis. Moreover, the empirical material remained limited to formal (inter-) organizational vehicles and did not pay sufficient attention to the actors' interpretations of hybridity, especially within the organizations. Another limitation was the purposeful choice of cases with a pro-active diffusion strategy. This might give a biased image, overrating the level of institutional work and neglecting the processes by which FTSEs might "passively" be influenced by external actors. Finally, these findings could be specific to Fair Trade in four defined countries and not be applicable to other social enterprises and other hybrid organizations.

Future research could help to overcome these weaknesses. In-depth case studies could be limited to one specific mechanism for the management and/or the diffusion of hybrid logics, taking into account interpretations from different actors within the organization. More attention could also be paid to the factors that lead certain organizations to experiment and diffuse specific ways for combining hybrid logics. More detailed accounts of institutional

work on hybridity could compare social enterprises in different fields, or social enterprises with other hybrid organizations. Finally, the interactions and power relationships between hybrid organizations and “single-logic” actors within a field would provide a more comprehensive picture of given fields.

Nevertheless, this paper has contributed to shift the attention to hybridity of logics in a field as the result of institutional work by hybrid organizations, rather than as a temporary situation necessarily jeopardized in the long term by the dominance of one institutional logic. The study also provided concrete examples of organizations vehicles enabling the combination of plural logics. Finally, this paper contributed to connect the rather descriptive literatures on Fair Trade and social enterprise in general with analytical frameworks that seem particularly adequate to capture the specific features of these organizations in terms of logics hybridization.

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