# Where do hybrids come from? Entrepreneurial team heterogeneity as an avenue for the emergence of hybrid organizations

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Abstract: This conceptual paper aims to respond to the poorly addressed question of the emergence of hybrid organizations – i.e. organizations that embrace several institutional logics. It does so by developing a model and a set of propositions focusing on the heterogeneity of the entrepreneurial team as a possible driver for hybridity throughout the entrepreneurial process and up to the emergence of a hybrid organization. As contributions to the literatures on (collective) entrepreneurship, imprinting and hybrid organizations, we advance several avenues and conditions under which the heterogeneity of the entrepreneurial team may imprint the entrepreneurial process and lead to the creation of hybrid organizations. Our propositions connect the individual, team and organizational levels and thus advance our understanding of how institutional logics can be combined across different levels of analysis and throughout the stages of an entrepreneurial process.

**Keywords:** Hybrid entrepreneurship, Institutional logics, Entrepreneurial team, Hybrid organization

#### Introduction

Despite increasing scholarly interest, much work remains to uncover the antecedents and the outcomes of collective entrepreneurial dynamics, i.e. dynamics that associate several people throughout the entrepreneurial process (Klotz et al., 2014). By integrating insights from entrepreneurship and institutional theories, this paper offers some arguments with regard to a particular type of collective entrepreneurship, "hybrid entrepreneurship<sup>1</sup>" (Fowler, 2000; Haigh and Hoffman, 2012; Lee, 2014), i.e. the combination of several institutional logics in the entrepreneurial process.

Hybrid collective entrepreneurship associates individual team members bringing distinct institutional logics into the entrepreneurial process in order to potentially build a "hybrid organization" (see below). This paper proposes a set of process stages of hybrid collective entrepreneurship from its antecedents (individuals with different socialization backgrounds and/or embedded in different social spheres), up to its outcomes (the potential creation of a hybrid organization).

While a growing number of studies explore how hybrid organizations deal with multiple institutional logics (Battilana and Dorado, 2010; Pache and Santos, 2013b), the *emergence* of hybrids remains an under-explored topic (Lee and Battilana, 2013; Rasmussen, 2011). Indeed, different avenues are available to organizations to respond to institutional complexity and integration of the latter within a hybrid organizational structure is only one of these avenues (see for instance Greenwood et al., 2011; Kraatz and Block, 2008). Indeed, organizations may use different tactics to manage the conflict between logics within a single organizational setting: decoupling (Meyer and Rowan, 1977), compromising (Oliver, 1991), or logics combination through selective coupling (Pache and Santos, 2013b).

Although these strategies of competing logics management are broadly discussed for established hybrid organizations, the emergence of hybrids remains poorly understood. It is still not clear why and how entrepreneurs choose to integrate institutional complexity within the creation process of an organization. In other words, what are the specific features and stages of entrepreneurial processes that result in the creation of hybrids? First studies addressing this issue point at certain factors enabling this process, typically the ability of individual entrepreneurs to integrate several logics in the entrepreneurial process, i.e. hybrid individuals entrepreneuring (Lee, 2014; Lee and Battilana, 2013; Pache and Chowdhury, 2012).

This conceptual paper proposes complementary arguments to understand this process by stressing that this hybridity can be induced by the heterogeneous composition of the entrepreneurial team, which therefore does not need necessarily to be a collection of hybrid individuals. In other words, collective –rather than individual– entrepreneurship is examined as a setting in which distinct institutional logics can be enhanced and integrated, potentially leading to the creation of a hybrid organization.

To do so, this paper develops a model from extant literature on organizational imprinting and institutional logics. We choose social entrepreneurship as setting for our research as it is an entrepreneurial process aiming at social change (Chell, 2007; Luke and Chu, 2013) and social enterprises can be seen as hybrid organizations combining typically social-welfare and market logics (Battilana and Dorado, 2010; Battilana and Lee, 2014; Doherty et al., 2014). Extant literature on social enterprises (Dufays and Huybrechts, 2014; Schieb-Bienfait et al., 2009; Thompson and Doherty, 2006) shows that social entrepreneurship is regularly driven by

heterogeneous teams and that the latter's diversity may be a driver of logic hybridity at different stages of the entrepreneurial process. Overall, the aim of this paper is to contribute to the literature on entrepreneurship and institutional complexity by looking at how members of a heterogeneous entrepreneurial team imprint distinct institutional logics in the creation of a hybrid organization.

The paper is structured as follows. First, as a background, we briefly review the literature on institutional logics at the inter-individual or group level, expanding from the literature dealing with the individual level. This level of analysis is relevant for the entrepreneurial team setting and has not been sufficiently addressed in the literature – in contrast to field and organizational levels – despite the recognized moderating role of groups in the organizational response to conflicting logics (Bjerregaard and Jonasson, 2014) and calls for closer attention to micro-level small group dynamics in institutional theory (Dorado, 2013; Fine and Hallett, 2014). Next, we present the concept of imprinting as a useful approach for understanding hybrid entrepreneurship processes. The subsequent section builds a model of hybridity imprinting through a collective dynamic; this is, through inter-personal interactions within an entrepreneurial team. Theoretical propositions are developed for each stage of the process model. Finally, we discuss the theoretical contributions of this paper, as well as its limitations and paths for future research.

# 1. Institutional logics and inter-individual dynamics: A primer

In an attempt to overcome the embedded agency paradox, institutional theorists have proposed the concept of institutional logics to denote the socially constructed principles that guide social action (Friedland and Alford, 1991; Seo and Creed, 2002; Thornton and Ocasio,

2008). In other words, institutional logics are the assumptions, beliefs, and rules by which individuals confer meaning to their social reality and that guide actors' behaviour, including engaging in entrepreneurial action (Spedale and Watson, 2014). Institutional logics shape actors' cognition and rational behaviour and, in turn, individuals and organizations can shape institutional logics (Friedland and Alford, 1991; Thornton and Ocasio, 2008). Indeed, actors mobilize one or another logic in which they are embedded to make sense of their social world and, in this way, eventually contribute to construct and/or transform them (Friedland and Alford, 1991; Giddens, 1984; Hallett and Ventresca, 2006; Powell and Colyvas, 2008). This approach takes its roots in the social constructionist view that, depending on their socialization, an individual takes some rules, meanings, and assumptions for granted (Berger and Luckmann, 1991/1966; DiMaggio and Powell, 1983; Meyer and Rowan, 1977).

Two types of socialization can be distinguished. On the one hand, primary socialization results from education. More precisely, an individual endorses the norms and values of the social group she is embedded in when growing up. On the other hand, secondary socialization involves the internalization of beliefs and practices of other social groups (Berger and Luckmann, 1991/1966). Hence, an individual's sources of embeddedness in a logic are, first, the experience of their close social ties – i.e. parents, partners, friends, and, second, their own experience with other social groups through leisure, work, and other life activities. In the latter case, two situations may be distinguished. First, one experiences institutional logics in the context of an organization embedded in a particular institutional field (Greenwood et al., 2011). Second, individuals experience institutional logics through their interactions with their personal social network (Greenwood and Suddaby, 2006). Therefore, individuals are likely to deal with a variety of institutional logics. It does not mean, however, that they endorse them

all, nor that they endorse them equally or in a similar way (Beyers, 2005; Pache and Santos, 2013a).

Individuals may embrace several institutional logics simultaneously (Pache and Santos, 2013a) when they evolve within several social spheres – a situation coined "multiple embeddedness" (Boxenbaum and Battilana, 2005) – and embody compound identities. For example, "family founders" entrepreneurs are such hybrid individuals that adopt several logics due to their social context, i.e. a blend of family logic and market logic (Miller et al., 2011). Another such situation may reside when an individual embraces functions, that are not fully aligned with her initial profession, such as doctors who are head of medical departments, who embrace both a profession (medicine) logic and a management logic (Witman et al., 2011). Greenwood and Suddaby (2006) also argue that elites, because of the centrality of their network, are more likely to face contradicting institutional logics by bridging organizational fields, and therefore to become institutional entrepreneurs. Besides their social networks and direct social environment, individuals may also enact multiple logics over time through education and professional experience. Pache and Chowdhury (2012) suggest that students may be educated for social entrepreneurship by teaching them the skill to bridge the social-welfare logic, the commercial logic, and the public-sector logic.

The aforementioned studies also suggest that individuals do not always react in the same way when they face distinct and sometimes conflicting logics. Pache and Santos (2013a) delineate five different types of micro-level responses to institutional complexity: ignorance, compliance, defiance, compartmentalization, and combination. The two latter strategies involve the articulation of distinct logics and lie therefore at the heart of hybrid entrepreneurship. Indeed, ignorance refers to no reaction of the individual to the prescription

of one logic; compliance indicates full adhesion to one logic's prescribed norms, values and practices; and defiance signifies in contrast the rejection of these norms, values, and practices. Compartmentalization indicates that the individual aims at segmenting across time and/or space compliance and ignorance/defiance with competing logics to find consistency in the prescribed values, norms and practices. Finally, combination suggests the individual's attempt to bringing together some of the norms, values, and practices of the competing logics (Pache and Santos, 2013a).

The adoption of such strategies depends on inter-individual interactions. Hallett and Ventresca (2006) consider that many institutional scholars tend to adopt an oversocialized approach and plead for "inhabiting" institutional approach with social interactions. They stress that institutional logics "are populated by people whose interactions suffuse institutions with force and local meaning" (p. 226). Hence, the reaction of individuals and of organizations to contending institutional logics is embedded in social interactions.

Drawing on these insights, Dorado (2013) shows that institutional entrepreneurs need to go through a group formation process in order to motivate and inspire them to engage in institutional entrepreneurship, as well as to secure the necessary resources. Through her study of the emergence of commercial microfinance in Bolivia, she highlights the importance to study institutions at the group level for understanding how and why individuals and organizations engage in institutional work to solve tensions stemming from competing logics. Such an approach allows to consider social dynamics such as interpersonal bonds and status competition as critical elements in the institutional entrepreneurial process. In the same way, Fine and Hallett (2014: 1787) demonstrate, in studying the case of Odie the Imperiled Fish, that "group culture provides an additional lens for examining how institutions are created,

maintained, and change through the dynamics of everyday life." According to them, the group permits individual specificities to meet institutional structures and to confront through social interactions.

Finally, Almandoz (2012; 2014) has documented the adoption of strategies in the face of conflicting institutional logics in his study of entrepreneurial teams establishing local community banks. While he observes that the institutional logics espoused by entrepreneurial team members have an influence on the odds of organization creation, he does not explain in detail how logic plurality may imbue the different stages of an entrepreneurial process and potentially lead to the emergence of a hybrid organization.

We aim to contribute to this work by theorizing a process-based model of logic combinations at the inter-individual level in the context of heterogeneous entrepreneurial teams, this is, these teams are not necessarily composed of a collection of hybrid individuals. Examining the "microfoundations" of institutional complexity at the group level (Dorado, 2013; Powell and Colyvas, 2008), we extend previous work by suggesting propositions regarding the role of logic plurality within the entrepreneurial team in the process of creating a hybrid organization.

# 2. Explaining the emergence of hybrids through imprinting

The concept of imprinting is helpful to explain how the entrepreneurial process may be embedded in distinct logics and result in the creation of hybrid organizations (Lee and Battilana, 2013). Introduced by Stinchcombe (1965) in his seminal essay "Social structure and organizations", imprinting denotes how organizations embrace elements from their founding environment and how these persist beyond the set-up phase. Studies have used the concept of

imprinting at different levels of analysis – i.e. organizational collective such as industries or corporate networks, organization, organizational building block, and individual, as well as different sources of imprint – i.e. economic and technological conditions, institutional factors, and individuals (for a review, see Marquis and Tilcsik, 2013). The concept has recently been extended to show that the characteristics of the pursued opportunity imprint the entrepreneurial process (Suddaby et al., 2015; Tornikoski and Renko, 2014).

Considering individuals as a source of imprint for organizations, the founder's sustained influence on an organization has been demonstrated by a few studies (Johnson, 2007; Nelson, 2003). Individual characteristics such as age at founding, level of education (Boeker, 1987), identity role (Hoang and Gimeno, 2010), previous professional experience (Unger et al., 2011), and past organizational founding experience (Hopp and Sonderegger, forthcoming), have a persisting influence on the created organization in terms of organizational model, practices, and success.

The social environment in which the founding takes place, i.e. the founder's social environment, has also been shown to have a major role in the decision to start-up a venture (Kessler and Frank, 2009) as well as to fundamentally imprint the created organization. There is among others a social-normative influence of the geographic community in which the entrepreneur is embedded, through local (organizational) networks and norms (Marquis and Battilana, 2009). Indeed, physical proximity – even with new means of travel and communication – influences who one connects to and, thereby, what social expectations one should meet (Marquis, 2003; Marquis et al., 2007), including with regard to the norms and practices the newly created organization should embrace.

It follows from these observations that the founder's social network has an important role in the imprinting process. Indeed, in her study on the creation of the Paris Opera, Johnson (2007) insists on the fact that, even though imprinting is an agency-driven process, "the embedded nature of cultural entrepreneurship<sup>2</sup> means that the imprinting process is crucially influenced by key stakeholders who may reinforce or thwart entrepreneurs' plans, whether these be isomorphic or innovative in nature" (p. 119). An influence of the entrepreneur's social network and embeddedness in community is also observed on the decision of entrepreneuring and on the (social) nature of the entrepreneurial process (Kacperczyk, 2013; Maclean et al., 2013).

With this background, how to explain the imprinting of a hybrid character to the entrepreneurial process? First, hybridity may stem from the opportunity pursued. Typically, for example, opportunities for entrepreneurship in the cultural sector involve conflicting logics that the entrepreneur has to make co-exist or hybridize in order to survive (DiMaggio, 1982). Second, hybridity may stem from the context in which the entrepreneurial process takes place (Zahra et al., 2014). For instance, entrepreneuring in a family context embeds the entrepreneurial process at least in a family logic as well as a market logic. Finally, the socialization experienced by the entrepreneurs and their social environment are likely to imprint hybridity to the entrepreneurial process. In an empirical study on the emergence of hybrid social ventures, Lee and Battilana (2013) postulate that an individual social entrepreneur embraces several logics. Thereby, he or she imprints the newly created hybrid organization with distinct, and sometimes conflicting, logics. They find evidence that the founder's work experience and their parents' work experiences and professional education imprint the commercial logic, and hence the hybridity, of the created social venture.

However, not all individual social entrepreneurs enact multiple institutional logics and are thereby hybrid entrepreneurs on their own. For example, social entrepreneurship – an ideal-typical case of hybrid entrepreneurship as it combines social-welfare and commercial logic (Battilana and Dorado, 2010; Battilana and Lee, 2014; Doherty et al., 2014) – is often driven by teams composed of several individuals (Dufays and Huybrechts, 2014; Schieb-Bienfait et al., 2009). Thus, hybridity may emerge from inter-personal relationships within a heterogeneous entrepreneurial team. This process is theorized in the next section.

# 3. Imprinting hybridity through collective dynamics

Not only founder but also founding team characteristics such as team size (Eisenhardt and Schoonhoven, 1990) or presence of an ethnic migrant (Chaganti et al., 2008) imprint organizations. More particularly, heterogeneity or homogeneity of the founding team with regard to such features as past organizational affiliation (Beckman, 2006; Leung et al., 2013), functions and competences (Beckman et al., 2007) and industry experience (Eisenhardt and Schoonhoven, 1990) appear to have an effect on subsequent organizational behaviour. However, evidence is rather mixed so far and it is suggested that the effect of some types of heterogeneity are highly dependent on contextual factors (Klotz et al., 2014).

This debate parallels the discussion between the two schools of thought on entrepreneurial team composition and formation (Ben Hafaïedh-Dridi, 2010). On the one hand, the strategic and instrumental view considers the team as a bundle of resources and whose members should be selected in function of the critical needs of the project (Ucbasaran et al., 2003). On the other hand, the socio-psychological dynamic view, which draws on the similarity-attraction or homophily theory (McPherson et al., 2001), has been empirically demonstrated in certain

instances in a 'traditional' entrepreneurship context (Ruef et al., 2003; Steffens et al., 2012). In this perspective, individuals group together with others whom they share status, norms and values with, in order to lower the potential for cognitive dissonance as well as the perceived risk of entrepreneuring (Ruef, 2010). Some authors have shown that both approaches may be combined for the team constitution (Rasmussen, 2011), notably depending on the stage in the entrepreneurial process in which a lead entrepreneur finds him/herself (Condor and Chabaud, 2012).

Building on these perspectives, we develop a process-based model of hybrid collective entrepreneurship explaining how team heterogeneity may imprint hybridity. We first acknowledge that there are several possible paths and that: not all entrepreneurial teams are hybrid, nor is collective entrepreneurship always hybrid, nor does it necessarily lead to the creation of a hybrid organization. On figure 1, the alternatives are listed by level of analysis and process stage. Taking as a premise that a team is entrepreneuring, the team members may either share the institutional logics in which they are embedded, or endorse distinct logics. In the latter case, the distinctiveness of logics may either constitute an entrepreneurial opportunity, exploiting their complementarity, or impede entrepreneurship due to the generated conflict between these logics. Then, the entrepreneurial process may either be dominated by one logic, or imprinted with the team's logic distinctiveness, i.e. constituting hybrid entrepreneurship. The outcome of this process may be the creation of a hybrid organization, of an organization embedded in one dominant logic, or of no organization at all.

## \*\*\* INSERT FIGURE 1 AROUND HERE \*\*\*

The following subsections will develop each of these four process stages separately and put forward theoretical propositions both for the focal outcomes ultimately leading to hybrid organization creation (upper line in bold), and for the alternative outcomes deviating from this process (lower line in grey). For each stage of the process, a first proposition will state the rationale of the focal outcome, and a second proposition will review one or several conditions under which this focal outcome, rather than its alternative outcome, may be expected.

# 3.1. Presence of distinct logics among team members

The first stage of our model deals with the team and its composition. Though several definitions of an entrepreneurial team exist in the literature (Ben Hafaïedh, 2006; Cooney, 2005), we consider an entrepreneurial team as being composed by two or more individuals who have a significant interest and engagement in the development of an entrepreneurial project, and who recognize each other as being part of the team. Whereas Cooney (2005) considers the interest of team members solely in financial terms, we broaden this understanding to include other forms of interest. For example, social entrepreneurs may have as interest that the future venture will tackle a social need that they experience personally or through someone in their close environment. Next, we suggest that the entrepreneurial team members are engaged in the project; this engagement may be translated in terms of resource mobilisation Condor and Chabaud (2012). Finally, a mutual recognition criterion is included to account for the process of team formation, which necessitates a mutual inclusion decision (Ben Hafaïedh, 2014; Smith, 2007). In our model depicted in figure 2, the team is represented as composed of three individuals, in order to illustrate more complexity than just two members without losing too much readability.

It has been shown that individuals are socialized to institutional logics (Berger and Luckmann, 1991/1966; Friedland and Alford, 1991) and internalize them to different degrees (Pache and Santos, 2013a). This variance in the level of enactment of institutions and takenfor-grantedness of associated meanings and practices may be depicted by Bourdieu's notion of habitus (DiMaggio and Powell, 1991; Emirbayer and Johnson, 2008; Hills et al., 2013), which Wacquant describes as "a set of historical relations 'deposited' within individual bodies in the form of mental and corporeal schemata of perception, appreciation, and action" (Bourdieu and Wacquant, 1992: 16). According to Bourdieu's own words, "Habitus is a socialized subjectivity" (Bourdieu and Wacquant, 1992: 126). Hence, habitus makes the link between the individual and the macro level as it describes why, due to socialization, some actors fully internalize some logics, whereas they adhere only partially to others. Further, it shows the relative dominance of the former logics with regard to the latter (Hills et al., 2013). Although the notion of habitus may seem static, Spence and Carter (2014) show that habitus evolves over time as actors have to embody and disembody institutional logics depending on their interest, insisting thereby on the agency made possible within the habitus framework.

From this discussion, we acknowledge here that the habitus results from the socialization of the actors in various social spheres, sometimes called socialization agents (Grusec and Hastings, 2007). Ultimately, it is thus from the social interactions (Bukowski et al., 2007; Hallett and Ventresca, 2006; Morrison, 2002) that the individual enacts norms and values guiding their behaviour, in other words institutional logics. These interactions evolve over time, depending on life events and on various socialization sources: family, education, professional experience, religion, etc. (Bidart et al., 2011). Different persons are thus less

likely to share common institutional logics when the social spheres in which they evolve do not overlap, leading to logic plurality. Therefore, we suggest that:

Proposition 1a: Distinct social interactions by individual team members may lead to institutional logic plurality in the team.

Following the preceding discussion, it is proposed as a precondition:

Proposition 1b: The more distinct the socialization agents among individual team members, the more likely the institutional logics internalized by these individuals will be distinct.

## 3.2. Entrepreneurial opportunity emerging from distinct logics

The level of entrepreneurial opportunity has experienced a considerable attention from scholars in the past decades (Short et al., 2010). Among the applicable frameworks analysing sources of opportunity, the structural-hole argument draws on social network analysis and takes as starting point the voids between unconnected subparts of the social network. These so-called structural holes constitute opportunities for information and control benefits. Therefore, entrepreneurs attempt to bridge structural holes and take advantage from the resources associated with the various parts of the network that were previously unconnected (Burt, 1992). This argument was later augmented by Burt (2004), who demonstrated that people connecting different groups – i.e. those that bridge structural holes – are more likely to have "good ideas" because they are more familiar with alternative ways of thinking and behaving. Indeed, he observes that opinion and behavior are more homogeneous within than between groups. Hence, brokering between groups offers the possibility to select or synthetize and to generate ideas that are valued by all groups (Burt, 2004; Tortoriello and Krackhardt,

2010), in particular when the broker intends to link together the distinct groups rather than keeping them separated (Obstfeld, 2005).

In a similar way as the social network includes structural holes, institutional complexity may be understood as a plurality of logics between which voids can be found (Mair et al., 2012). For example, institutional voids have been identified as a source of market exclusion in Bangladesh, in which contradictory elements (meanings, practices, etc.) from political, religious and community spheres allow institutional entrepreneurs to intervene and redefine market architecture to be more inclusive (Mair et al., 2012). Consequently, as it has been argued, "sensing 'entrepreneurial opportunities' is (...) perhaps embedded in broader institutional dynamics involving competing logics" (Marquis and Lounsbury, 2007: 801). In other words, bridging institutional logics gives an informational advantage that may be transformed into an entrepreneurial opportunity. Therefore, the meeting between individuals bearing distinct institutional logics<sup>3</sup> may be a source of "good ideas", and hence entrepreneurial opportunities, through the complementarity between these logics (see figure 3). Hence, we suggest that:

Proposition 2a: When an entrepreneurial team comprises distinct institutional logics, bridging them may be a source of entrepreneurial opportunity.

# \*\*\* INSERT FIGURE 3 AROUND HERE \*\*\*

However, logic distinctiveness may also be a cause of conflict that impedes the identification of an entrepreneurial opportunity. It is suggested here that this may be the case when the crystallization of the team around the entrepreneurial opportunity is not strong enough (Condor and Chabaud, 2012) because of diverging framing or interpretations of the

opportunity and how to exploit it. This type of conflict is likely to arise when team members are ignoring or denying the relevance of other logics. According to Pache and Santos (2013a), these behaviours are most likely when individuals are identified to one logic and have no or little adherence to the other logic. This happens because they have not previously been socialized to this other logic. Hence, it is suggested as condition sustaining proposition 2a that:

Proposition 2b: For an entrepreneurial opportunity to emerge through institutional logic bridging in a team, individual team members must be willing to familiarize with other logics than those they have internalized through socialization.

## 3.3. Hybridity in the entrepreneurial process

The third stage of our model deals with the entrepreneurial process itself (see figure 4), given institutional pluralism within the entrepreneurial team. Not all individuals react in the same way when they face institutional pluralism. The choice of response among the five described by Pache and Santos (2013a) – i.e. ignorance, compliance, defiance, compartmentalization, and hybridization – depends on the degree of acquaintance or familiarity of the individual with the different logics they have to deal with, which we have seen to vary depending on socialization in the above-discussion on habitus. According to them, the level of familiarity with a logic is measured by three indicators: availability, accessibility, and activation (see also Thornton et al., 2012).

\*\*\* INSERT FIGURE 4 AROUND HERE \*\*\*

The hybridity in the entrepreneurial process will develop through the social interaction between the entrepreneurial team members as well as in relationship with their social environment (Almandoz, 2012). Yet, social interactions influence the way in which different institutional logics are available, accessible to and activated by an individual. Thornton et al. (2012) point specifically at decision-making, sensemaking, and collective mobilization as social interactions that mobilize institutional logics. Therefore, these activities, which are particularly relevant during the entrepreneurial process, may shape or sustain hybridity.

Through the social interactions, the competing logics are likely to be subject to power plays within the team. However, Almandoz (2014) underlines that he could not demonstrate the impact of political factors, even though he found that more group conformity is expected in larger teams whereas smaller community bank founding teams were likely to be dominated by a spirit of individual discretion. However, it can be expected that familiarity of the diverse entrepreneurial team members with each others' logics may reduce the pressure in inter-logic conflict and hence favour the construction of a unifying frame for the team. Therefore, it is suggested that:

Proposition 3a: The familiarity of entrepreneurial team members with distinct institutional logics increases the likelihood that the opportunity is pursued through a hybrid entrepreneurial process.

Thus, conflict between logics during the entrepreneurial process must be managed in a way that does not marginalize or squeeze out one of the logics in presence (see figure 5 for an illustration of the simplified situation of a team with two logics X and Y). The latter situation (upper-right and lower-left quadrants) is more likely to take place if one individual or a subgroup of team members has been socialized to a single logic, is therefore identified with this

logic, and is completely novice at other logics<sup>3</sup> (Pache and Santos, 2013a). In that case, we can expect a mix of compliance and defiance attitudes, resulting in the domination of one logic over the other. Compartmentalization may occur in order to avoid conflict when each member or subgroup is familiar to the logic the other team member or subgroup is novice at (upper-left quadrant). In this case, it is a combination of ignorance and compliance behaviours that can be expected. When all members are familiarized to some degree to other logics, compartmentalization or hybridization are more likely to happen (lower-right quadrant). It could happen that elements of internal politics (Vigoda-Gadot and Vashdi, 2012) and leadership (Somech, 2006) are likely to come into play in shaping the resulting behaviour, but this discussion goes beyond the scope of this article.

## \*\*\* INSERT FIGURE 5 AROUND HERE \*\*\*

Besides socialization, another cause of no or little adherence to other logics lies in the strength of ties that unites individuals to the logic with which they are identified. It may happen that these ties are so strong that individuals get blinded to other ways of seeing the world (Pache and Santos, 2013a). This is translated in their relational structure, which, as Giddens (1984) argues, is both enabling and constraining. Indeed, social networks have been shown to play a major role in the activation of schemata and logics of action (DiMaggio, 1997) and an individual's social position has been argued to have an influence on the ability to engage in institutional entrepreneurship (Battilana, 2006). In the present case, the individual social network structure will determine the degree of freedom of the individual with regard to the expected conformity to the institutional logic. Consequently, a dense network, in which all nodes are connected together, is less likely to allow for deviation from the established norms and values than a sparse network (Degenne and Forsé, 1999). Thus, it is proposed that:

Proposition 3b: Conflict in logics during the entrepreneurial process is more likely to be managed in a way that does not result in the marginalization of a logic when individual team members are familiarized to a diversity of logics and when they are embedded in sparse social networks.

### 3.4. Emergence of hybrid organizations

Finally, the outcome of a "hybrid" entrepreneurial process may be the creation of a hybrid organization, but also of a non-hybrid organization or no organization at all (see figure 6). Hybrid organizations may be distinguishable by several organizational arrangements reflecting the institutional logics enacted by individuals (Besharov and Smith, 2014), e.g.: the adoption of specific organizational structure (including legal form such as the B-corp in the US or the community interest company in the UK) and processes or governance systems (Battilana and Lee, 2014; Haugh and Peredo, 2011), the funding structure (Gardin, 2006) or even HRM practices (Battilana and Dorado, 2010; Moreau and Mertens, 2013). These structural elements, in particular the most formal ones (the legal form and governance structure), will reflect, signal and sustain hybridity in a more stabilized way that will be less contingent on the persons involved in the entrepreneurial process, i.e. they will imprint the organization beyond the intentions of the founding entrepreneurs. These structural elements will also play an important role as trust signals to garner support from a broad array of legitimizing audiences that typically surround hybrid organizations (Battilana and Lee, 2014; Huybrechts et al., 2014).

Translating hybridity to the organizational level can be achieved through social interactions in which individuals mobilize the different institutional logics. Indeed, Thornton et al. (2012:

132) explain that "available institutional logics provide the cognitive and symbolic elements that actors employ in their social interactions to reproduce and alter practices and organizational identities". The availability of logics is, according to them, depending upon the actor's experience and role in the field. Because the entrepreneurial process necessitates a range of social interactions (Downing, 2005), it is likely that the logics mobilized during the process will also be found in the organizational outcome. Hence, it is suggested that:

Proposition 4a: An entrepreneurial process imbued with distinct institutional logics may lead to the creation of a hybrid organization in which the distinct logics are concretely combined and imprinted through formal structural elements such as the legal form and the governance structure.

## \*\*\* INSERT FIGURE 6 AROUND HERE \*\*\*

Such a proposition holds when the entrepreneurial team decides to translate the interindividual hybridity enhanced in the preparing phases into the organizational level. However, this may not be the case when the hybrid entrepreneurial process does not pervade the creation of the organization, for instance if the decisions regarding the major structural elements are taken by only part of the team or by external persons (manager or experts) that do not take into account the hybrid entrepreneurial process. Such ignorance, avoidance, or even defiance of the diversity of institutional logics may lead to one dominant logic governing the structural choices, and therefore leading to the emergence of a non-hybrid organization. Alternatively, tensions may arise in the team when facing structural decisions that lead to the collapse of the process, resulting in no organization creation. The latter case may stem from the inability of some team members to cope with distinct logics and adopting ignorance and/or defiance strategies with regard to one logic, and compliance with another logic. For

example, the choice of a legal form or Board composition perceived as favouring one logic over the other(s) may lead to conflict and departure of "neglected" team members (i.e. loss of hybridity) or breakdown of the entrepreneurial process. On the contrary, conflict may be avoided by choosing an explicitly hybrid legal form and Board composition, or by compartmentalizing the newly created organization with two or more entities each embodying a particular logic (Huybrechts, 2010). Therefore, the following condition is proposed:

Proposition 4b: A hybrid entrepreneurial process may lead to the creation of a hybrid organization if the conflict in logics is addressed by the entrepreneurial team with such strategies as compartmentalization and/or hybridization.

To sum up, we suggest that entrepreneurial teams whose individual members have been socialized to different institutional logics are more likely to develop practices that are consistent with these various logics and, hence, to imprint hybridity in the organization they create. In other words, we extend the proposition of Lee and Battilana (2013), who suggest that multiple logics may be enacted by a single founder, to the team level, where each individual founding team member may imprint a distinct logic or set of logic. Hence, the following general proposition is put forward:

Proposition 5: Founding team heterogeneity with regard to socialization agents and to individual social networks favours the imprinting of distinct logics in the entrepreneurial process and the emergence of a hybrid organization.

### 4. Discussion and conclusion

This paper makes several theoretical contributions by looking at the emergence of hybrid organizations in the specific context of heterogeneous team entrepreneurship. However,

although such a deductively-developed theoretical model eases the understanding and allows for capturing the general picture of a complex phenomenon, it also lacks possible nuances typically brought in by empirical observations, which constitutes an important limitation. In this section, we acknowledge other specific limitations, which constitute paths for future research.

First, by bridging literatures on institutional logics and entrepreneurial team diversity, this study paves the way for future research on how individual members of a founding team contribute to imprinting hybridity to an organization throughout the entrepreneurial process, which has only been touched upon by existing studies (Almandoz, 2012). Thereby, we add to the microfoundations of institutional theory by explaining how distinct institutional logics can be enacted within an organization (Barney and Felin, 2013; Powell and Colyvas, 2008). However, our model is based on the implicit assumption that individuals are rather identified with one institutional logic and may be familiar to some extent to other logics. More variation may be expected at the individual level as several logics may be identified with one person (Pache and Santos, 2013a). This is why future empirical research could examine to what extent the presence of individuals who seem to embrace several logics simultaneously may influence and facilitate the formation of hybrid entrepreneurial teams and ultimately foster the emergence of hybrid organizations. Despite this limitation, we argue that the model may reflect the influence of logics interacting at the team level. Indeed, individuals in a group tend to have a higher propensity to enact specific identities and/or logics in organizations that include members of multiple occupations (Van Maanen and Barley, 1984), which might support our assumption.

Also, conditions from one stage to the other need further refinement (Rasmussen, 2011). Indeed, hybridity management is relatively well documented in the literature within each stage of the process (Battilana and Lee, 2014; Thornton and Ocasio, 2008; Thornton et al., 2012) but hybridity imprinting and the evolution from one stage to the next in the process remains insufficiently explored. It therefore calls for case studies to identify conditions sustaining hybridity throughout the whole entrepreneurial process as well as beyond the creation phase. Indeed, as Vickers and Lyon (2014) have shown, different capabilities are required for different growth avenues followed by social enterprises and more generally hybrid organizations. Hence, founding team heterogeneity is also likely to imprint to a certain extent the development and growth of hybrid organizations.

Another area for which more research is needed is the interactions between entrepreneurial team members, identifying different types of group dynamics and conditions underlying the evolution of these dynamics. While this article has emphasized the relevance of connecting the literatures on entrepreneurial teams, imprinting and logic hybridity, more work is needed at the interface of these research streams. Empirical studies could highlight different team composition settings in terms of logic configurations so as to examine and contrast entrepreneurial trajectories for each of these settings. Moreover, the role of power configurations and their impact on inter-individual rituals and/or conflicts regarding relevant patterns for action (i.e. logics) in the entrepreneurial process deserve more attention (Lewis, 2013). Recent research on entrepreneurial team dynamics (e.g. Leung et al., 2013; Lim et al., 2013; Zolin et al., 2011) could be connected with and questioned in terms of hybrid entrepreneurial processes such as those observed in social entrepreneurship.

Second, this paper enriches the literature on entrepreneurial teams by bringing theoretical insights on the role of values and logics as an input for team composition and as a moderator for team functioning, for which calls for research had been raised (Klotz et al., 2014). It suggests that the need to conform to certain institutional logics prescribed by entrepreneurial team members' social network, among others for legitimacy and resource acquisition reasons, may strongly influence the entrepreneurial process. Thereby, it proposes hybrid entrepreneurship as a promisingly insightful setting to study entrepreneurial teams.

As a third theoretical contribution, this article makes the point that institutional complexity may be inherent to some organization types –such as social enterprises– and therefore needs to be dealt with during the entrepreneurial process. Consequently, hybrids may purposefully be designed by entrepreneurs that either individually or collectively endorse multiple logics. Understanding why and how institutional complexity imbues certain entrepreneurial processes more than others constitutes an area for future research. Another research avenue concerns the connection between micro-level hybrid emergence processes and broader endeavours of institutional entrepreneurship (Tracey et al., 2011).

Finally, in a broader perspective, this article contributes to enriching entrepreneurship literature with other paradigms than functionalism (Chell, 2007; Fletcher, 2006), responding to the call for approaching (social) entrepreneurship from an institutional perspective (Jennings et al., 2013; Shaw and de Bruin, 2013; Thornton et al., 2011). Such an approach allows to bridge macro and micro-levels and to take into account the embedded agency paradox, which is inherent in entrepreneurship (Garud and Karnøe, 2003), but rarely addressed (Aldrich, 2010). Indeed, entrepreneurship is often associated with changes implying deviation from some norm. To gain legitimacy for embracing this deviation, entrepreneurs

have to deal with other actors embedded in the field they want to enter and adopt discourses that are institutionalized to make themselves understood and institutionalize the proposed deviation (De Clercq and Voronov, 2009; Hargadon and Douglas, 2001). Future empirical research articulating these levels of analysis would significantly contribute to the understanding of the entrepreneurial process.

### Acknowledgements

#### **Notes**

- 1. Note that the term "hybrid entrepreneurship" is also referred to in the literature to denote the process of salaried workers keeping (temporarily) their job while launching a new venture (Folta et al., 2010). In a similar conception to ours, Powell and Sandholtz (2012) introduced the term "amphibious entrepreneur" to describe entrepreneurs that occupy positions in disparate social environments and combine these multiple social identities in the entrepreneurial process.
- 2. Johnson (2007) uses the term "cultural entrepreneurship" in a broader way than entrepreneurship in the artistic sector, to characterize the cultural phenomena that are involved in entrepreneurship: institutions, symbols, meanings, and narratives. In some way, it parallels the "institutional entrepreneurship" introduced by DiMaggio (1988) and Leblebici et al. (1991).
- 3. The bridging between distinct logics can also be made by individuals i.e. hybrid individuals, as described in section 1 or by teams that are a collection of hybrid individuals sharing multiple logics. However, this paper focuses on the ideal-typical case of a team putting together individuals who have enacted distinct logics.

4. It can also be argued that if all team members are novice to all logics, there is less chance that one logic will dominate (Battilana and Dorado, 2010; Pache and Santos, 2013a).

However, this situation is very unlikely in this case as entrepreneurs build on the institutional logics they are embedded in to perceive the world, and hence entrepreneurial opportunities.

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# Figures and tables

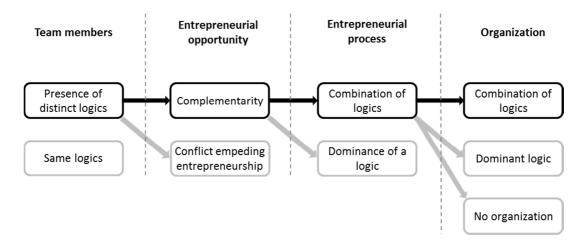


Figure 1: Possible pathways from entrepreneurial team to hybrid organization creation

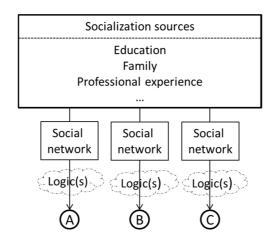


Figure 2: Stage 1 of process model of hybrid collective entrepreneurship – Logic distinctiveness among individuals

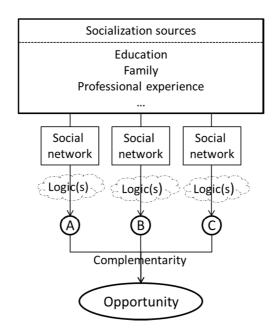


Figure 3: Stage 2 of process model of hybrid collective entrepreneurship –

Entrepreneurial opportunity from bridging distinct logics

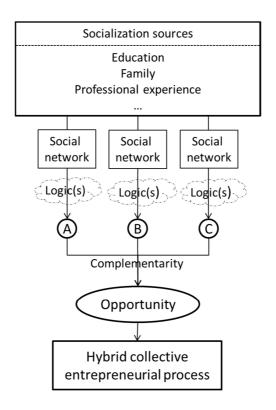


Figure 4: Stage 3 of process model of hybrid collective entrepreneurship – Competing logics in the entrepreneurial process

		Individual/Sub-group B	
		Novice at X	Familiar to X
		Identified with Y	Identified with Y
Individual/Sub-group A	Identified with X Novice at Y	Conflict / Compartmen- talization	Dominant logic X
	Identified with X Familiar to Y	Dominant logic Y	Hybridization / Compartmen- talization

Figure 5: Likely outcomes of the meeting of individuals in function of their socialization to two logics

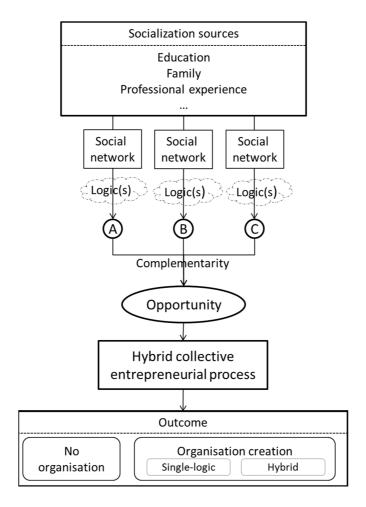


Figure 6: Stage 4 of process model of hybrid collective entrepreneurship (full model) –

Emergence of hybrid organization