Hybridity and Third Sector Organizations

Increasingly, non-profit organizations are critical for the provision of a many valued and vital public services, often in partnership with government and the for-profit sector. Many nonprofits also partner with each other to achieve mutual goals and deliver joint programs. But the new roles, alliances, and partnerships have also led to greater complexity in organizational forms among nonprofit organizations. These new relationships and structures have been described by many terms: social enterprise, collaborative governance, networks, and public-private partnerships. One other term with widespread currency is hybridity. While hybridity has been employed in many different contexts, it generally refers to organizations with two or more sectoral characteristics (Skelcher and Smith, 2013; Also, Skelcher, 2005; 2012; Billis, 2010).

Greater hybridization among nonprofit organizations also reflects the spread of the New Public Management (NPM) in countries around the globe (Phillips and Smith, 2010; Christensen and Laegreid, 2010). NPM strategies have tended to be market-based initiatives such as greater utilization of contracting out services to nonprofit organizations and the increased reliance on policy tools such as loans and bonds to support the programs of nonprofits (and for-profits) (See Salamon, 2002). The influence of NPM is also reflected in the broad enthusiasm for social entrepreneurship and social innovation. For instance, social impact bonds involve complicated partnerships between public, nonprofit and for-profit entities (Chen, 2012). Many nonprofit social enterprises are operating businesses with social missions (Dees, 1998; Alter, 2007).

Early research on hybridity tended to focus on quasi-governmental organizations that typically were public agencies with features from the for-profit and/or nonprofit sector (See, Koppell, 2003; Skelcher, 2003). Subsequently, many scholars have examined and discussed the concept of hybridity as it pertains to third sector organizations (Minkoff, 2002; Hyde, 1992; D’Aunno, et al., 1991; Evers, 2005; Evers and Laville, 2004; Brandsen, van de Donk, and Putters, 2005; Dees,1998; Alter, 2007; Skelcher and Smith, 2013). Despite the extensive attention to hybridity by scholars, research on hybridity as it relates to nonprofits and public agencies is challenged by the three key difficulties. First, hybridity is arguably a property of all organizations, especially organizations with legal incorporation (See Brandsen et al., 2005; Evers, 2005); yet to the extent that hybridity is a characteristic shared by all organizations, its explanatory power as concept is greatly diminished (Also, Skelcher and Smith, 2013). Second, hybridity is based upon a tripartite distinction between government, markets, and nonprofits. The underlying assumption is that it is possible to distinguish clearly between these three sectors but research has indicated that it is actually quite difficult to operationalize these distinctions. Third, hybridity has generally been employed in the nonprofit sector to describe different structural configurations, especially as it pertains to market-related income and for-profit partnerships (Alter, 2007; Dees, 1998). While this work has been very useful in describing and classifying different hybrid types, these hybrid typologies have been largely disconnected from nonprofit theory. Moreover, their role as empirical descriptors has meant that these typologies have limited explanatory power, especially regarding organizational governance, accountability, and performance. Thus, these typologies do not allow us to understand if the governance of a nonprofit with a for-profit café is significantly different than a nonprofit reliant entirely on philanthropy. This panel brings together three scholars with differing perspectives on hybridity and nonprofit or third sector organizations who are doing empirical research on hybridity in the context of third sector organizations. Thus, the panel will offer papers that further our understanding of the utility of the concept of hybridity and the suggested next steps for scholars of third sector organizations.

The Re-hybridization of Society: The Case of Swedish Civil Society

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Any kind of theorizing on organizational hybridity or institutional blurring demands an analytical model where different types of organizations (or sectors) are recognized and distinguishable. The model we need for this kind of analytical work on hybridity must be equipped with at least two sectors or organizational categories, but there are virtually no limits on how many we can have. The deciding factor here is instead what kind of theoretical considerations we can identify behind the current model of society. Without any kind of "pure", "original" or "standard" set of organizational ideal-type categories, sectors or spheres to depart from, it is however impossible to talk about any kind of institutional mixes or hybrid constructs. This kind of thinking demands a model in which we can distinguish one set of organizational "imperatives" or "genes" or "roots" from other such sets that could be mixed, merged or combined, if we keep playing with the metaphorical use of hybridity. Not until these "genetic" organizational patterns (and I would here rather prefer to talk about "sets of core organizational attributes") are mapped and identified with a certain logic or rationale (for example at sector or sphere level) can we in any meaningful sense analytically talk about hybrids or mixes between the categories. For this we need an analytical model laying out the basic understanding of the relationship between different institutional spheres in society that the argument rests on. The main argument in my discussion builds on a tradition of authors, such as, for example, Cohen and Arato (1992), Scholte (2002), Salamon et al. (2003) or Lindblom (2003), who use a theoretical model of society consisting of a number of spheres inhabited by more or less distinct sets of actors, where civil society is assumed to be one of the categories or spheres. These analytical spheres as well as the organizations populating them are ideal-types and therefore utopian – to use Weber's terminology. The four-sphere model is an analytical and theoretical model, and not an empirical representation of reality. Thus, the state sphere is populated by government agencies concerned with the formal task of "running the state". The sphere of trade and industry ("the business world") consists of commercial firms and corporations ideal-typically concerned with the making of economic profit. Family constellations and friendship networks concerned with the (re)production of genuine relationships make up the household sphere of private relations. The sphere of civil society, finally, is populated by the voluntary or nonprofit organizations. In this model they are primarily concerned with the production and maintenance of values or ideals in society, as indicated already in the introduction, and this can be facilitated through the provision of voice as well as through the production of service (Wijkström 2011). The distinctiveness of each sphere is thus analytically grounded in the rationale or logic (organizational roots) that informs and guides its actors, rather than in the nature of the arenas where these actors interact. This means among other things that the (theoretical) distinction between civil society and the state or governmental sphere turns out to be sharper and clearer than in most other accounts, in which civil society is often seen as distinct from something vaguely called "the political sphere", and therefore also as barred from (or alternatively incapable of agency in) the political arena. In the paper the usefulness of this model for the analysis of the dynamics of hybridization is illustrated by a discussion of the transformations that the Nordic civil societies and their organizations are currently undergoing. I argue that these transformations should be understood as part of an ongoing process of re-hybridization, rather than increased hybridization per se.

Hybridity and Nonprofit Organizations: The Research Agenda

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Increasingly, non-profit organizations are critical for the provision of a many valued and vital public services, often in partnership with government and the for-profit sector. Many nonprofits also partner with each other to achieve mutual goals and deliver joint programs. But the new roles, alliances, and partnerships have also led to greater complexity in organizational forms among nonprofit organizations. These new relationships and structures have been described by many terms: social enterprise, collaborative governance, networks, and public-private partnerships. One other term with widespread currency is hybridity. While hybridity has been
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Early research on hybridity tended to focus on quasi-governmental organizations that typically were public agencies with features from the for-profit and/or nonprofit sector (See, Koppell, 2003; Skelcher, 2003). Minkoff (2002) though focused on nonprofit organizations. She argued that hybrid nonprofit organizations combine different missions—or policy fields—within one organization. For instance, she was especially interested in nonprofits with engaged in advocacy and service delivery (also Hyde, 1992; D’Aunno, et al., 1991). Evers (2005), Evers and Laville (2004), and Brandsen, van de Donk, and Putters (2005) go further than Minkoff and argue that all nonprofits are essentially hybrids since they contain elements of more than one sector. Using a different framework, Dees (1998) and Alter (2007) arrive at a similar position: they propose typologies of nonprofit hybridity with for-profits on one end of the continuum and nonprofits on the other end. In their model, only the ideal type nonprofit—which does not exist in the real world—is not a hybrid. More recently, Skelcher and Smith (2013) argue that hybrid nonprofits are the sites for the contestation among competing institutional logics such as the community logic of a nonprofit and the logic of government accompanying a government contract (Friedland and Alford, 1991; Meyer and Hammerschmid, 2006; Greenwood, R. et al., 2011; Knutsen, 2012; Pache and Santos, 2012). Despite the extensive attention to hybridity by scholars, research on hybridity as it relates to nonprofits and public agencies is challenged by the three key difficulties. First, hybridity is arguably a property of all organizations, especially organizations with legal incorporation (See Brandsen et al., 2005; Evers, 2005); yet to the extent that hybridity is a characteristic shared by all organizations, its explanatory power as concept is greatly diminished (Also, Skelcher and Smith, 2013). Second, hybridity is based upon a tripartite distinction between government, markets, and nonprofits. The underlying assumption is that it is possible to distinguish clearly between these three sectors but research has indicated that it is actually quite difficult to operationalize these distinctions. Third, hybridity has generally been employed in the nonprofit sector to describe different structural configurations, especially as it pertains to market-related income and for-profit partnerships (Alter, 2007; Dees, 1998). While this work has been very useful in describing and classifying different hybrid types, these hybrid typologies have been largely disconnected from nonprofit theory. Moreover, their role as empirical descriptors has meant that these typologies have limited explanatory power, especially regarding organizational governance, accountability, and performance. Thus, these typologies do not allow us to understand if the governance of a nonprofit with a for-profit café is significantly different a nonprofit reliant entirely on philanthropy. Or is the performance and effectiveness of these organizations by some criteria markedly different.

This paper focuses on the research agenda for scholars interested in hybridity as it pertains to nonprofit organizations, an increasingly important topic given the changing environment for nonprofit organizations and the delivery of public services. More specifically, the paper offers a detailed analysis of the current state of the research relating to hybridity and nonprofits and suggestions detailed research projects for the field that would enhance our understanding of hybridity and nonprofit organizations, an especially timely topic given the rapidly changing social and political environment for nonprofits.

Lost in muddling through. The new hybridity of nonprofits in Western welfare states.
During the 20th century, major Western societies have seen independent nonprofit organizations becoming service providers on behalf of the welfare state, with many of them bringing in civic orientations into a largely public sector-led infrastructure. At that time, they developed hybrid management structures in order to take different stakeholders into account, for instance those inhabiting their political environment and those that are taking centre stage within the membership. For some time now, however, this 'old' hybridity is challenged by new forms of hybridity, rooted in the rise of welfare markets and the 'social enterprise' agenda. At the same time, we increasingly find, throughout the wider literature and with professionalized nonprofit service providers, the assumption that nonprofit organizations are able, and going, to develop a management model through which this a double-bottom line approach can be developed purposefully. At least implicitly, advocates of the 'social enterprise model' suggest that one can have the best of two worlds: the achievement of social value as known from 'good old charity' and profit-oriented management endemic to private business. Yet does the 'new hybridity' provide space for a consistent management model in the nonprofit sector?

Regarding this sector across advanced Western societies, the business orientation is proliferating indeed. The paper will illustrate this movement by exploring two areas of 'entrepreneurial' nonprofit action – one more recent, one more traditional. The more recent field is 'back-to-work' projects undertaken by 'work integration social enterprises' (WISE); the other one eldercare organizations with a charitable background. The countries it looks at are Germany, France and the United Kingdom. As can be shown by drawing on evidence from these European countries, management requirements and options, while remaining different from those typical of the classical firm, have become much more business-like in the day-to-day operations of nonprofit organizations. However, many of them operate in an environment that leaves little scope for managerial discretion, let alone for pursuing a management concept through which a double bottom line can be addressed consistently. Rather, the boom of the ‘social enterprise model’ goes alongside a decreasing scope for (mission-driven) entrepreneurial initiative throughout large sections of the contemporary nonprofit sector(s). Pursuing mission-related objectives has become a dependent variable of randomly distributed opportunities in many cases. Under these conditions, nonprofit organizations involved in the provision of tangible services can only survive if they develop ‘muddling through’ skills. Moreover, given that the new hybridity is fraught with tensions at a much higher degree than during the 'old days', they tend to become reactive rather than active forces in current welfare states. The question is what this implies for their civic orientations. It is very likely that in case that nonprofit service providers are constantly exposed to (quasi-)market environments, these orientations, and the social mission they nourish, end up as a permanent provocation for day-to-day business operations. The social enterprise 'paradise' risks getting lost in muddling through.