INSIDE THE HYBRID ORGANIZATION: SELECTIVE COUPLING AS A RESPONSE TO COMPETING INSTITUTIONAL LOGICS

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This article explores how hybrid organizations, which incorporate competing institutional logics, internally manage the logics that they embody. Relying on an inductive comparative case study of four work integration social enterprises embedded in competing social welfare and commercial logics, we show that, instead of adopting strategies of decoupling or compromising, as the literature typically suggests, these organizations selectively coupled intact elements prescribed by each logic. This strategy allowed them to project legitimacy to external stakeholders without having to engage in costly deceptions or negotiations. We further identify a specific hybridization pattern that we refer to as "Trojan horse," whereby organizations that entered the work integration field with low legitimacy because of their embeddedness in the commercial logic strategically incorporated elements from the social welfare logic in an attempt to gain legitimacy and acceptance. Surprisingly, they did so more than comparable organizations originating from the social welfare logic. These findings suggest that, when lacking legitimacy in a given field, hybrids may manipulate the templates provided by the multiple logics in which they are embedded in an attempt to gain acceptance. Overall, our findings contribute to a better understanding of how organizations can survive and thrive when embedded in pluralistic institutional environments.

The biggest problem with hybrid companies is that they are inherently confused organizations, buffeted by all sorts of contradictory pressures. This means that their internal operations can be hard to understand and their behavior may be hard to predict.
—*Economist*, 2009

Hybrid organizations are gaining prevalence in modern societies (Kraatz & Block, 2008; *Economist*, 2009). Defined as organizations that incorpo-

rate elements from different institutional logics (Battilana & Dorado, 2010), hybrids are by nature arenas of contradiction. Social enterprises, for instance, whose goal is to achieve a social mission through commercial activities, are caught between the competing demands of the market logic and the social welfare logic that they combine: should they incorporate as for-profit or as not-for-profit entities? Should they distribute profit to their owners or reinvest it in their social mission? Should they mobilize paid professionals prioritizing efficiency concerns or volunteers favoring a deep commitment to the mission? Just as social enterprises need to address these dilemmas to operate, all hybrids need to find ways to deal with the multiple demands to which they are exposed. The purpose of this article is to explore how they may do so.

Hybrids are not limited to organizations blending market and social logics. They can take different forms, including public-private partnerships incorporating elements from state, market, and civil society logics (Jay, 2013), biotechnology companies incorporating science and market logics (Powell &

Sandholtz, 2012), and medical schools incorporating health care and academic logics (Dunn & Jones, 2010). This growing pervasiveness of hybrids can be explained by the increasing prevalence of pluralistic institutional environments (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Pache & Santos, 2010; Seo & Creed, 2002). In these complex environments, organizations are exposed over lengthy periods of time to multiple institutional logics that prescribe what constitutes legitimate behavior and provide taken-for-granted conceptions of what goals are appropriate and what means are legitimate to achieve these goals (Lounsbury, 2007b; Thornton & Ocasio, 2008). Hybrid organizations are likely to emerge and do well in these complex environments because they incorporate elements prescribed by various logics and are therefore likely to project at least partial appropriateness to a wider set of institutional referents (Greenwood et al., 2011; Kraatz & Block, 2008).

The existence and functioning of hybrid organizations poses interesting conceptual questions for institutional theory because hybrids challenge the conceptualization of organizations as entities reproducing a single coherent institutional template in order to gain legitimacy and secure support from external institutional referents (DiMaggio & Powell, 1983). A central feature of hybrids is that the institutional logics that they embody are not always compatible (Greenwood et al., 2011). As the degree of incompatibility between logics increases, hybrid organizations face heightened challenges (Besharov & Smith, 2012). They may have to incorporate antagonistic practices that may not easily work together (Tracey, Phillips, & Jarvis, 2011). In addition, because adopting elements prescribed by a given logic often requires defying demands of the other logics, hybrid organizations may potentially jeopardize their legitimacy vis-à-vis important institutional referents (D'Aunno, Sutton, & Price, 1991). Finally, hybrids incorporating incompatible logics often see coalitions representing these logics emerge inside themselves (Pache & Santos, 2010). These coalitions are likely to fight against each other to make the template they favor prevail, thus bringing the institutional conflict inside (Glynn, 2000; Zilber, 2002). These challenges are particularly acute for hybrid organizations that are exposed to long-term institutional pluralism, which requires them to incorporate competing logics over the long run, rather than in a temporary fashion.

Research suggests that hybrid organizations try to address these challenges either by keeping logics separate or by attempting to reconcile them internally (Besharov & Smith, 2012; Greenwood et al., 2011; Murray, 2010; Simsek, 2009). This literature provides a useful framework for starting to explore the functioning of hybrids organizations. Yet, by providing mainly an organization-level perspective, it reveals little about how the incorporation of logics is actually achieved inside organizations (Greenwood et al., 2011; McPherson & Sauder, 2013). Specifically, what is missing is a clearer picture of which elements of the logics organizational actors enact as they try to navigate competing demands as well as what factors drive these behaviors. This gap is important to address in order to account for the microfoundations of hybrid organizational forms (Powell & Colyvas, 2008).

We address this gap by exploring how hybrid organizations internally incorporate elements of the competing logics that they embody. To do so, we use a comparative case study of four French work integration social enterprises (WISEs). These organizations aim at reintegrating long unemployed people into the workforce by hiring them to produce goods and services that are sold on the market. By virtue of their reliance on market-based principles to serve a social mission, these organizations are hybrids that incorporate competing social welfare and commercial logics. In the context of this study, we explore how these four organizations incorporated these two logics as they scaled their operations nationally.

Our study makes two important contributions. First, it highlights that hybrid organizations combine competing logics in a systemic fashion by selectively coupling, at the organizational level, intact elements drawn from each logic. Selective coupling allows hybrids to manage the incompatibility between logics and thus reduce the risks and costs of alternative practice-level strategies, such as decoupling or compromising. Second, our findings suggest that the origins of a hybrid organization determine how it implements selective coupling. Through a pattern that we name "Trojan horse," organizations that entered the field with low legitimacy due to their embeddedness in a contested logic strategically incorporated a majority of elements from the predominant logic to gain legitimacy and acceptance. As a consequence, WISEs with a commercial origin drew more from the social welfare logic than WISEs with a social origin, which contradicts predictions from the imprinting literature (Stinchcombe, 1965). These findings suggest that, when lacking legitimacy in a given field,

hybrids may manipulate the templates provided by the multiple logics in which they are embedded in an attempt to gain acceptance. Overall, our work contributes to an emergent theory of hybrid organizations. We clarify how hybrid organizations operate and explain when and how they are capable of taking advantage of the wide repertoire of organizing elements available to them in pluralistic environments.

THEORETICAL BACKGROUND

What is known about the way hybrid organizations incorporate competing institutional logics? To deepen our understanding of hybridization strategies and assess the degree to which they may entail the separation or the reconciliation of competing logics, we reviewed research on organizational responses to competing institutional logics. While early institutional research pointed to decoupling (Meyer & Rowan, 1977) and compromising (Oliver, 1991), more recent work hints at strategies involving logics combination (Greenwood et al., 2011; Lounsbury & Crumley, 2007; Tracey et al., 2011). We review these strategies in more detail below, by exploring their microfoundations and probing their applicability to the specific context of hybrid organizations.

Decoupling

Decoupling studies have a long tradition in institutional theory (Boxenbaum & Jonsson, 2008; Bromley & Powell, 2012; Crilly, Zollo, & Hansen, 2012; Fiss & Zajac, 2006; Meyer & Rowan, 1977; Westphal & Zajac, 1994, 1998, 2001). These studies predict that, under conditions of competing institutional logics, organizations symbolically endorse practices prescribed by one logic while actually implementing practices promoted by another logic, often one that is more aligned with organizational goals. Decoupling has traditionally referred to the process through which organizations separate their normative or prescriptive structures from their operational structures (Bromley & Powell, 2012; Meyer & Rowan, 1977). In other terms, it refers to instances in which "organizations conform closely to the meanings and categories ritually defined by the environment, but do not attempt seriously to implement them at the operational level" (Scott, 2003: 279). Organizations thus create and maintain gaps between symbolically adopted policies and actual organizational behavior (Tilcsik, 2010).

Decoupling is particularly adapted to situations in which a policy prescribed by external institutional referents conflicts with an institutionalized practice promoted internally by an organization's members (Boxenbaum & Jonsson, 2008; Greenwood & Hinings, 1996; Tilcsik, 2010). In that case, organizations symbolically adopt the externally promoted policy while actually implementing the practice that is coherent with their internal institutional influences. Such a strategy increases an organization's chance of survival, as it prevents conflicts from escalating between internal and external institutional referents. It thus becomes a safeguarding mechanism to minimize legitimacy threats (Boxenbaum & Jonsson, 2008; Brunsson, 2002). Organizations have been shown to decouple during transition periods when facing conflicting prescriptions regarding a wide variety of policies, including quality management (Kostova & Roth, 2002; Westphal, Gulati, & Shortell, 1997), audit reporting (Basu, Dirsmith, & Gupta, 1999), CEO compensation (Westphal & Zajac, 1994, 1998; Zajac & Westphal, 1995), stock repurchasing (Westphal & Zajac, 2001), and fund allocation between subsidiaries (Tilcsik, 2010).

Importantly, a major assumption of decoupling studies is that all organization members adhere to the same logic and are willing to protect it. A related assumption is that organizations are able to avoid the scrutiny of external referents, who are not aware of the misalignment between organizational policies and practices. These assumptions are likely to be challenged in contexts where institutional logics compete over long periods of time. In such environments, organizational coalitions representing the competing logics are likely to emerge (Pache & Santos, 2010), thus making it hard to build a consensus regarding which institutionalized practices should be protected. In addition, organizations may find it difficult to avoid the scrutiny of institutional referents over a long period of time. This suggests that decoupling may be hard to sustain in contexts where institutional logics conflict over extended periods of time.

Compromising

Research has also pointed to compromise as a viable strategy for organizations facing competing logics (Kraatz & Block, 2008; Oliver, 1991) and attempting to reconcile the associated competing demands. A less documented strategy than decoupling, compromise involves the attempt by organi-

zations to enact institutional prescriptions in a slightly altered form, crafting an acceptable balance between the conflicting expectations of external constituents (Oliver, 1991). This may happen through conforming to the minimum standards of what is expected, through crafting a new behavior that brings together elements of the conflicting demands, or through bargaining with institutional referents so that they alter their demands. Compromising strategies may allow hybrid organizations to partially attend to the conflicting demands exerted by institutional referents, thus avoiding the risk of losing the endorsement of actors whose prescriptions would be otherwise ignored.

For example, Scott (1983) showed that health care organizations exposed to contradictions between the medical care logic and the economic efficiency logic imposed by government authorities conformed to the minimum standards of both medical care and fiscal controls to secure both professional and political support. Other compelling examples of compromise strategies can be found in the context of microfinance. Caught between the banking logic demand to set interest rates at a level that maximizes profit and the development logic demand to reduce interest rates to relieve financial pressure on poor clients, microfinance organizations often choose to compromise between the two demands by setting interest rates at an intermediate level, lower than what market constituents might expect, but higher than what development stakeholders may demand. This pricing strategy demonstrates good faith to both constituents by displaying partial compliance to their demands (Meyer & Rowan, 1977). Those organizations that decided not to do so, for example by enacting mainly a banking logic, not only lost the endorsement of respected individuals in the development field but also had their legitimacy seriously questioned (Carrick-Cagna & Santos, 2009).

An important limitation of compromise as a strategy for hybrids is that it may not allow organizations to fully secure support from important institutional referents, particularly over the long term. The compromise struck between competing expectations may ultimately not satisfy the referents' enduring expectations. It may also lead to internal dissent from groups demanding strict adherence to their espoused logic. Further, compromise may not always be an available strategy for organizations embedded in competing institutional logics, as it may be difficult to reach when the logics promote competing goals (Pache & Santos, 2010) or when the practices promoted by the logics are fully incompatible or difficult to modify.

Combining Competing Logics

Focusing more specifically on responses to competing logics, a recent stream of research recognizes that the availability of multiple institutional models of action creates opportunities for hybrid organizations to draw from the broader repertoire of behaviors prescribed by competing logics (Battilana & Dorado, 2010; Binder, 2007; Greenwood, Diaz, Li, & Lorente, 2010; Greenwood et al., 2011; Lounsbury, 2007a; Reay & Hinings, 2009). These studies suggest that hybrid organizations may reconcile competing logics by enacting a combination of activities drawn from each logic in an attempt to secure endorsement from a wide range of field-level actors (Greenwood et al., 2011). Tracey et al. (2011), for example, showed how two social entrepreneurs created Aspire, a hybrid organization that combined the logics of charity and commercial retail, to more effectively address the societal problem of homelessness. Battilana and Dorado's (2010) study on commercial microfinance organizations in Bolivia highlight how these organizations combined development and banking logics to fight poverty.

Yet these examples also illustrate the internal challenges associated with the combination of competing logics. Despite its early success, Aspire (Tracey et al., 2011) collapsed a few years after it scaled its operations nationally. Accounts of this failure suggest that the entrepreneurs did not manage to simultaneously satisfy the competing demands from important external constituents, such as clients and homeless beneficiaries. The chosen combination of charitable and commercial logics did not allow the organization to secure the required external support to survive. Likewise, Battilana and Dorado (2010) highlighted that one of the two microfinance organizations that they studied was unable to grow because of internal rifts created by an adherence to competing norms and values. Interestingly, their study also reveals that the other organization was able to downplay these rifts by hiring personnel free from attachments to either logic, by fostering members' commitment to operational excellence, and by developing a strong identity that reduced the perceived competition between logics.

Overall, these studies emphasize the challenges associated with logic combination, but also identify some of the factors that may allow hybrid organi-

zations to address the continued and competing pressures from institutional referents. However, they reveal little about the way in which the combination of logics is actually achieved at the intraorganizational level (Greenwood et al., 2011). Understanding this process in detail is important for unpacking the internal functioning of hybrids and for understanding how they may survive and thrive in the midst of pluralistic environments.

Unpacking the Internal Functioning of Hybrids

Overall, the existing body of research on organizational responses to competing institutional logics leaves unanswered questions when it comes to explaining the functioning of hybrids (McPherson & Sauder, 2013). In particular, it questions the usefulness of decoupling and compromising as viable hybridization strategies. It further fails to explain how logic combination can be achieved at the intraorganizational level. To understand more clearly how hybrid organizations deal with persistently competing logics, it is important to understand which elements of the logics they enact, because these are the key linkages between institutional logics and intraorganizational processes (Smets, Morris, & Greenwood, 2012; Thornton, Ocasio, & Lounsbury, 2012b). Our purpose in this study was to explore these issues empirically by addressing the following research question:

Research Question 1. How do hybrid organizations that incorporate competing institutional logics deal with these logics at the intraorganizational level?

This question is followed by another related to the determinants of the hybridization patterns deployed by organizations. Previous research in institutional theory has emphasized the important role played by various organizational factors in shaping organizational responses to institutional processes. The structural position of an organization—whether it is at the center or periphery of a field—has been shown to influence the way it is impacted by competing institutional logics and, in turn, how likely it is to manage the associated conflicting demands (Greenwood et al., 2011; Leblebici, Salancik, Copay, & King, 1991). The profile of organization members and the degree to which they represent the competing logics in which their organization is embedded has been further shown to potentially impact the way the organization collectively experiences, interprets, and deals with

competing logics (Almandoz, 2012; Powell & Sandholtz, 2012; Souitaris, Zerbinati, & Liu, 2012). The presence of internal coalitions promoting a given logic, or more broadly, the internal balance of power between internal coalitions, has also been shown to shape how organizations have incorporated competing logics (Glynn, 2000). Yet, because these factors have been identified in contexts of transitory competition between logics, it is unclear whether and how they matter in the context of hybrid organizations embedded in enduring competing logics. We therefore asked a second research question:

Research Question 2. What determines the strategies through which hybrid organizations incorporate competing institutional logics?

METHODS

To explore these research questions, we developed an inductive multiple case study in the setting of work integration social enterprises (WISEs) in France. The first author, who was professionally involved with the social sector in France for five years before the beginning of her academic career, had experienced extensive prior interactions in this field and expected WISEs to be persistently embedded in competing social welfare and commercial logics. This setting was thus perceived as pertinent to our research questions. In the next section, we briefly present the field of WISEs and its history and explain how data were collected and analyzed.

Research Setting: The Field of Work Integration Social Enterprises (WISEs) in France

WISEs are private organizations that aim to provide long-unemployed people with job opportunities by training or retraining them in the practices and behaviors of working as an employee. WISEs achieve their goal by hiring, for a set period of two years, jobless people to produce products and services (in sectors such as construction, catering, gardening, recycling, or temp work) that they then sell to the market. With close mentoring and adapted training programs, as well as individual social counseling, WISEs help these people readjust to the world of work and regain individual pride and confidence.

WISEs receive the authorization to operate from a commission chaired by a local representative of the

French state. The commission is composed of local stakeholders (regional and local elected officials, trade and employer unionists, and work integration experts). This accreditation entitles WISEs to receive state subsidies intended to compensate for the lower productivity of the people that they employ, under the condition that they demonstrate a clear focus on their social mission. This focus is monitored through the obligation that they hire their beneficiaries from a pool of long-unemployed people listed by the Pole Emploi (National Agency for Employment) as "deserving work integration." The idea behind this requirement is to ensure that WISEs do not receive public subsidies for hiring individuals who are already normally productive. Subsidies amount, on average, to 20 percent of the WISEs' revenues. The remaining 80 percent comes from sales. In 2007, 1,098[1] WISEs operated across France, employing 25,000 formerly jobless persons and generating close to one billion euros in yearly revenues.

WISEs developed in the late 1970s under the leadership of a few social workers who saw them as a way to address the needs of long-unemployed people who could not be helped through traditional administrative, health, or housing counseling sessions. These WISEs were progressively recognized by various laws (in 1979, 1985, 1991, 1998, and 2006) granting them the right and duty to operate as economic entities, as well as entitlement to public financial support, under the condition that they would focus primarily on their social mission. The field became structured around the creation of a national WISE federation in 1988. With the economic crisis of the 1990s, WISEs consolidated their positions as economic actors providing an important social service. The state nevertheless kept an important role as gatekeeper in the field, granting new WISEs the right to operate and access subsidies through a formal accreditation process, closely monitoring WISEs' social performance through the rate of "positive graduation,"[2] and expelling from the field WISEs shown by annual audits to have deviated from their social mission.

The brief history of the field that we present in the Appendix shows that, despite changes in the relative strengths of social and commercial influences over time, WISEs are persistently and intrinsically embedded in two distinct institutional spheres. On the one hand, they need to display appropriateness toward a web of referents embedded in a belief system that we qualify here as the *social welfare logic*. They interact with public social services (state representatives, local employment agencies, cities, and regional governments) to receive the right to operate, recruit beneficiaries, and mobilize additional financial resources to fund their social mission. They rely on local nonprofit partners to provide their employees with health, housing, and administrative support. They also depend upon a web of individuals (local leaders, volunteers, and board members) who give time, advice, and sometimes donations, because of their adhesion to the social mission of these organizations.

On the other hand, given their reliance on sales for 80 percent of their revenues on average, WISEs need to display appropriateness with clients, as well as industrial partners, who are embedded in a *commercial logic*. Importantly, these clients and partners, although sometimes sympathetic with the WISEs' mission, first turn to WISEs for their ability to provide quality goods and services (Hugues & Gasse, 2004). The endorsement of clients, who can easily choose other service providers if dissatisfied with their experience, is important to secure financial sustainability. Industrial and commercial partners that provide WISEs with key resources (such as access to valuable raw materials, production or distribution facilities, or commercial networks) are also essential constituencies to satisfy.

Despite the important role played by the state in controlling field access, the WISE field remains fragmented and only moderately centralized (Pache & Santos, 2010) because a wide range of constituents adhering to competing social welfare and commercial logics impose conflicting demands on the organizations. WISEs' long-term dependence on these two webs of support for access to important resources makes these demands particularly salient and hard to defy. This in turn makes this field a rich setting for exploring organizational responses to persistently competing logics.

Research Design and Sampling

The study used a comparative case study design (Eisenhardt, 1989) allowing for a replication logic (Yin, 2003) in which cases are treated as a series of independent experiments that confirm emerging

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[1] Source: Ministry of Work 2007 data (http://travail-emploi.gouv.fr/etudes-recherches-statistiques-de.76/).

[2] Assessed by the percentage of beneficiaries completing their terms in a given year who found regular jobs (with contracts lasting longer than six months).

theoretical insights. It was part of a broader research project for which data were collected on eight WISEs. For this study, we decided to focus on the four WISEs that had reached national scale. The scaling-up process, through which an organization expands its activities from an initial site to additional distant sites, requires making strategic decisions at a time when securing social and material support is critical. In particular, organizations need to make decisions related to design, control, and coordination of new sites that are shaped by institutional logics. While making these decisions, organizations need to secure critical support from institutional referents in the form of social support (acceptance of settling in a new territory, endorsements, partnerships, etc.) as well as material support (sales, subsidies, space, etc.). By forcing organizations to make strategic decisions at a time when they cannot afford to alienate institutional referents, scaling-up intensifies the experience of competing institutional logics as well as the risks incurred when defying them. It therefore provides an ideal context for an exploration of organizational responses to competing logics.

In terms of sampling strategy, we selected four WISEs from two separate industries to generate a richer and more generalizable theory. Organizations were further selected on the basis of their origin (founded by a social organization vs. founded by a commercial organization) to explore the degree to which institutional influences at founding shape organizational behavior. The four cases thus constituted two matched pairs. One pair operated in the recycling industry (SOCYCLE and BUSITECH), and the other operated in the temp work industry (TEMPORG and WORK&CO). In each pair, one organization (SOCYCLE and TEMPORG respectively) had been founded by a prominent social sector organization, and the other (BUSITECH and WORK&CO respectively) emanated from a large multinational corporation. The sampling strategy thus involves (1) contrast within matched pairs that vary on a dimension of theoretical interest (founding origins) and (2) replication across pairs from different industries to improve the generalizability of the inducted theory. Table 1 describes the four cases, highlighting their domains of activity, scale of operations, and revenues.

Data Collection

We conducted three distinct data collection phases. During an exploratory stage (2005), we interviewed organization members at SOCYCLE and BUSITECH to understand how WISEs functioned, whether and how they experienced conflict related to their social and economic activities, and what explained their social and economic performance. We conducted a total of ten interviews with members of the two WISEs. The interviews lasted between 30 minutes and three hours and were all taped and transcribed. These data allowed us to confirm that the WISEs were embedded in an environment imposing conflicting institutional demands.

During a second stage (2006–07), we collected a combination of archival and interview data to get a deep understanding of the field, as well as the

TABLE 1
Description of Cases

Cases	SOCYCLE	TEMPORG	BUSITECH	WORK&CO
Number of interviews	17	12	12	7
Industry	Recycling	Temp work	Recycling	Temp work
Activity	Recycle used appliances	Offer temp work services to private companies	Recycle used computers	Offer temp work services to private companies
Number of sites[a]	48	23	5	5
Founding year	1985	1991	1995	1994
Scaling-up year	1988	1993	1995	1994
Founding origins	Social sector	Social sector	Business sector	Business sector
Total staff (FTE)[b]	1,070	840	40	200
Number of beneficiaries	800	700	30	170
Total revenues	28 M €	21 M €	1,6 M €	5 M €
Sales/total revenues	70%	85%	80%	85%

[a] 2007 data for number of sites, total staff, and revenues.

[b] Although in 2007 the WISEs with social sector origins were much larger than those with business sector origins, their size was much more similar at the analysis point of this study, which is the scaling-up year.

logics in which it was embedded. We started by gathering available archival data about the field of work integration in France, its history as well as its legal environment. Data collected during this phase included books (2), research articles (5), magazine and journal articles (30), law texts (5), and professional documents (10) produced by the national federation of WISEs. We also conducted 14 interviews with field experts to understand their views on the evolution of the field and the competing institutional logics that permeate it. We participated in numerous field-level events, including conferences (four) and open houses (five), which allowed us to gain a better understanding of the culture and debates in the field. Once this data collection phase was conducted, we proceeded with a round of data analysis, to identify and describe the two logics competing at the field level.

During a third stage (2007–08), building upon the initial analyses described above, we collected additional data on the two organizations whose members we already interviewed (SOCYLE and BUSITECH), which became our first matched pair, as well as data on an additional pair (TEMPWORK and WORK&CO). For each of the four cases, we gathered and read available annual reports and press articles. For some cases, we accessed more specific material, such as a book published for the WISE's anniversary or an evaluation report produced for a partner. We also conducted semistructured interviews with internal and external informants in each organization (7–17 interviews, depending on the size of the organization). Internal informants included board members, executive directors, technical supervisors, and social workers. We also interviewed external informants such as funders, partners, and clients. We met with the informants in their respective organizations, in each of which we spent between two and five days. This physical presence allowed us to get a sense of the culture and norms in each organization.

During this third stage, we conducted 38 additional semistructured interviews, lasting between 30 minutes and three hours each. All interviews were taped and transcribed. Informants were asked to explain how their organization was founded, how it grew and how it was organized, how it operated in 2007, and why it was organized and operated in such a way. We used an interview guide organized around the following broad areas: founding and growth, organizational structure and governance, human resources, commercial strategy, financial strategy, performance, environment,

and stakeholders. The goal of these interviews was to get a rich understanding of the day-to-day functioning of WISEs. In 2009 we collected additional data through phone conversations and e-mails, to confirm or complement some of our findings. To summarize, for this study we collected more than 2,000 pages of archival data and conducted a total of 48 case interviews plus 14 field expert interviews. This wealth of data allowed us to gain in-depth understanding of both our cases and the field of work integration in France.

Data Analysis

Stage 1: Identification of the field-level competing logics. During the first stage of analysis, we attempted to validate the assumption that the WISE field was embedded in persistently competing logics. We further attempted to characterize these logics. As a first step in identifying the main discussion themes, we read and coded selected archival material (the two books and the magazines produced by the federation of WISEs), expert interviews, and a conference program. As we clustered these themes, we observed a recurrence of discussions about the duality of the world in which WISE actors operate and its associated tensions (see, e.g., Hugues & Gasse, 2004). In a second step of analysis, we coded each mention of this duality to identify the opposing views at the source of the debate. Four main themes emerged: What is the appropriate *goal* for an organization? What is the appropriate *organizational form* to achieve that goal? How is *control* legitimately exerted in an organization? What are the sources of *professional legitimacy* in an organization?

To confirm that the four identified themes were accurately characterizing the logics, we triangulated this analysis with research material describing the institutional contexts of the social sector (Austin, Stevenson, & Wei-Skillern, 2006; DiMaggio & Anheier, 1990; Frumkin, 2002; Hansmann, 1980) and the market sector (D'Aunno, Succi, & Alexander, 2000; Fligstein, 1996; Friedland & Alford, 1991). Finally, to cross-validate this analysis, we asked two field experts to confirm the description of the logics that we identified. Table 2 summarizes the belief systems that characterize these two competing logics and how they play out in the field of WISEs.

The *social welfare logic* is structured around a predominant goal: making products and services available to address local social needs. Economic

resources, including surplus, are a means for these organizations to achieve their goal. These social needs are perceived to be best addressed in the context of an *association*, which is France's prevailing nonprofit form. The nonredistribution constraint, which is imposed by law on all *associations*, is viewed as the best approach to guarantee a focus on the social mission. Although it is not only accepted but even recommended for an *association* to generate a surplus, profit is viewed as a means to achieve the organization's end goal and is thus to be reinvested in the organization's social mission. The social welfare logic further prescribes democratic control as the appropriate way to monitor strategy and operations. Importantly, *associations* are built, under French law, around democratic principles: members who demonstrate their commitment to the mission democratically elect, among themselves, a volunteer board of directors that is in charge of the *association*'s leadership.

The democratic governance structure is perceived as the best way to allow for representation and participation of local stakeholders in the project. Social needs are localized. They concern people and depend upon a variety of local factors, including, among others, the composition of the population, the state of the local economy and local job market, and the offer of local social support services. Under the social welfare logic, responses to social needs are thus perceived to be best conceived at a local level, where they can take into account the demands of local constituencies and strengths and weaknesses of the local context (Di Maggio & Anheier, 1990). These responses are best conceived and implemented by people who are committed to the mission, including both professional social workers and volunteers. Professional legitimacy is thus driven by contribution to the social mission.

Embedded in a larger societal market logic (Friedland & Alford, 1991), the *commercial logic* is structured around a clear goal: selling products and services on the market to produce an economic surplus that can ultimately be legitimately appropriated by owners. While it is widely recognized that commercial organizations also serve social needs, the provision of these services is conceived as a means to achieve the profit appropriation goal. The commercial logic rewards efficiency and control (D'Aunno et al., 2000), which is best achieved through for-profit entities that grant shareholders control over the organizational goals and operations, and channel human resources and capital to areas of high economic return.

Pressures for efficiency presuppose that there are optimal ways to get organized to rationalize costs and maximize profits. Hierarchical control is recognized as an appropriate governance mechanism because of the legitimacy of the proprietary claims of stakeholders. It is further viewed as a legitimate means to sustain consistency, as well as an efficient allocation of resources (Fligstein, 1996). With competition as a salient feature of the commercial logic (DiMaggio & Anheier, 1990; Hansmann, 1980), the survival of players in the market depends on their ability to differentiate themselves from competitors and to sustain some sort of competitive advantage. Predictability in the quality of a service or product is a key determinant of purchase: consistency and uniformity in production are a source of sustain-

TABLE 2
Competing Belief Systems of the Social Welfare and Commercial Logics

Characteristics	Social Welfare Logic	Commercial Logic
Goal	Make products and/or services available to address local social needs.	Sell goods and/or services on the market to generate economic surplus that can be legitimately appropriated by owners.
Organizational form	The nonprofit form (*association*) is legitimate because of its ownership structure giving power to people who adhere to a social mission. The nonredistribution constraint ensures a real focus on the social goal.	The for-profit form is legitimate because its ownership structure allows it to channel human resources and capital to areas of higher economic return.
Governance mechanism	Democratic control, which is, by law, constitutive of the *association* status, is the appropriate way to monitor strategy and operations, allowing organizations to take into account local social needs.	Hierarchical control is the appropriate way to monitor strategy and operations in a way that ensures consistency of products and services and efficient allocation of resources.
Professional legitimacy	Professional legitimacy is driven by contribution to the social mission.	Professional legitimacy is driven by technical and managerial expertise.

able revenues. Such quality is best achieved by competent organizational members. According to the commercial logic, professional legitimacy is driven by managerial and technical expertise.

On the basis of previous research, one would have expected that, over the years, one of the two competing logics would gain dominance over the other and progressively replace it (Rao, Monin, & Durand, 2003; Thornton, 2002; Thornton, Jones, & Kury, 2005), or that a new logic would emerge as a synthesis of the two (Chen & O'Mahony, 2006; Glynn & Lounsbury, 2005; Thornton et al., 2005) ultimately providing field actors with undisputed institutional prescriptions. However, by highlighting the persistence of conflicting belief systems 30 years after the field's creation, our field-level data emphasize the persistence of competing logics at the field level. This enduring logics competition is illustrated by the recurrence of field-level governance crises (the major ones occurred in 1991 and in 2006), when coalitions of WISEs leaders championing the business approach fought against champions of the social approach to lead the national federation of WISEs. It is further illustrated by the field-level balance of legal statuses, wherein 44 percent of WISEs operate under nonprofit status and 56 percent operate under for-profit status.[3] These observations reflect a persisting dual influence of social welfare and commercial prescriptions.

What explains the persistence of these tensions is that WISEs are highly dependent on both social welfare and commercial institutional spheres for operation and survival. This dependence makes the demands of each sphere not only pressing but inescapable, exposing WISEs to competing logics for a lengthy period of time. A review of the exploratory case interviews allowed us to identify a prevalence of the four identified themes characterizing the logics in the informants' discussions of what was considered appropriate behavior. This analysis allowed us to confirm that the social welfare and commercial logics were influential and meaningful for our research subjects.

Stage 2: Identification of the demands prescribed by the logics. Building upon the prior analysis, we proceeded to identify the specific demands prescribed by each logic. To do so, we relied on our extensive case data. We built a case report for each case, describing in detail the history of the organi-

zation, as well as its design and functioning, following the areas outlined in the interview guide. We used the four themes identified during the previous phase (goal, organizational form, control, professional legitimacy) as lenses through which to analyze our case data. As we built our case reports, we paid specific attention to mentions in the interviews of organizational tensions and conflicts, in order to identify conflicting institutional prescriptions imposed upon the organizations. We also looked for instances of informants mentioning a given choice in a context of alternative expectations. We reported the justification of these choices, as shared by the informants, to identify the degree to which institutional demands influenced these decisions. We then conducted a cross-case analysis (Eisenhardt, 1989) to identify differences, similarities, and common patterns.

This data analysis phase revealed two important insights: the existence of a very strong field-level consensus about the appropriate goal of WISEs, and the existence of clear conflicting prescriptions about how they should organize to achieve this goal at a national scale. In terms of goal, all of our informants, including WISEs' members and field experts, stated that the appropriate goal of WISEs was to serve a clear social need: reintegrating long-unemployed people into the job market. We realized that the conflict relating to what goal WISEs should pursue was resolved at the field level by the state, through its gate-keeping role. By granting WISEs the right to operate, by monitoring the accomplishment of their social mission, and by expelling contravening organizations from the field, the state sends a clear signal about the appropriate goal for WISEs and punishes deviant behavior. Further, the constraint of recruiting beneficiaries from a pool of people with low skills and low productivity ("deserving work integration" according to the National Employment Agency) makes the prospect of profit generation unlikely for WISEs, potentially deterring motivations for WISEs to endorse a profit-making goal.

However, while the state closely monitors WISEs to ensure that they sustain their social goal, it is agnostic about the way they set up their operations to achieve this goal. The state is indifferent to whether WISEs operate as nonprofit or for-profit entities, whether they rely on democratic or hierarchical control to govern their operations, and to the profile of the human resources that they mobilize. Overall, this analysis confirms that the WISE field is fragmented and only moderately centralized. In

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[3] Source: National WISE federation 2007 data (http://www.cnei.org).

the absence of clear organizing prescriptions imposed by the state, WISEs are caught between conflicting demands of how best to organize operations, imposed by institutional referents adhering to competing social welfare and commercial logics.

Notably, the data validate that these conflicting demands were particularly salient when it came to setting up operations at the national scale. As the WISEs in our sample expanded their activities from an initial site to additional distant sites, they made decisions related to structure, governance, and coordination of new sites. As we analyzed and compared the scaling-up strategies that they developed, we observed that the informants recurrently referred to ten discrete elements, including a combination of structural choices and recurrent practices: what *legal status* to adopt, what *ownership* structure to set up, what *profit destination* to favor, what *form* to choose, what *governance* to set up, what *procedures* to localize or standardize, what *brand* to develop, what *monitoring* to implement at the central level, what *professional affiliation* to opt for, and whether or not *mobilization of volunteers* is appropriate.

Our analysis further revealed that WISE leaders decided what to do regarding each of these ten elements on the basis of a few competing alternatives, as illustrated by the following quote from the chair of one of WORK&CO sites:

> We thought about incorporating this site as a nonprofit, but it became obvious that we should incorporate as a for-profit. Why? Because our clients are for-profits. We made that choice because we wanted to have the same status as our clients. We really wanted our economic activity to make sense. So we thought, if we incorporate as a nonprofit, the economic aspect of our company will be less present.

As we identified these ten organizational elements, we mapped them back to the four characteristics of the logics, as defined by the field-level data, to validate the presumed relationship between the two constructs. Finally, we went back to the literature on logics to corroborate our findings. We indeed found confirmation that logics exert important influences on what structures (Greenwood & Suddaby, 2006; Rao, Morrill, & Zald, 2000; Tracey et al., 2011) and practices (Thornton, Ocasio, & Lounsbury, 2012a) organizations should adopt. Figure 1 presents this overall data structure.

Finally, we performed a systematic analysis of the explanations and justifications of the WISE leaders pertaining to the ten elements composing their scale-up strategy. This allowed us to identify the conflicting demands imposed by the social welfare and commercial logics on these ten strategic elements. The data revealed that, regarding the legal status of new sites, WISE leaders felt compelled to choose between the nonprofit form, as prescribed by the social welfare logic, and for-profit forms, as prescribed by the commercial logic. They were required to make decisions related to ownership of sites, in the context of two competing demands: a view of ownership based on adhesion to social mission, as promoted by the social welfare logic, and a view of ownership tied to the possession of capital, as promoted by the commercial logic. Any use of profits generated by site activities was further constrained by competing conceptions, with the social welfare logic requesting reinvestment in the mission and the commercial logic favoring its appropriation by private interests.

Our informants' accounts further highlighted conflicting conceptions regarding control of sites. Their accounts suggested that the social welfare logic demanded from them the development of sites as autonomous entities, allowing local members to take ownership of the sites. This contrasts with the commercial logic conception of sites being incorporated as branches or wholly owned entities, allowing for control and oversight from owners. In a similar spirit, the governance of sites was, according to the social welfare logic, conceived as requiring the mobilization of local actors as experts of local needs and owners of the mission. That mobilization of local actors was perceived as less important in the commercial logic, which favored a more centralized approach.

WISE leaders further debated the best approach to setting up operational procedures at the local level. When it came to designing site-level policies regarding production, marketing, or human resources, WISE leaders had two potential options: locally adapted procedures that were closely connected to local needs, as promoted by the social welfare logic, or standard operating procedures, allowing for consistency and efficiency gains, as promoted by the commercial logic. Decisions pertaining to the name and identity of the sites, reflecting the site brand, were also taken in a context of competing conceptions, with the social welfare logic promoting a strong local identity and a localized brand, in contrast to the commercial logic's prescription of a unified brand, projecting consistency in identity and quality across sites.

FIGURE 1
Data Structure
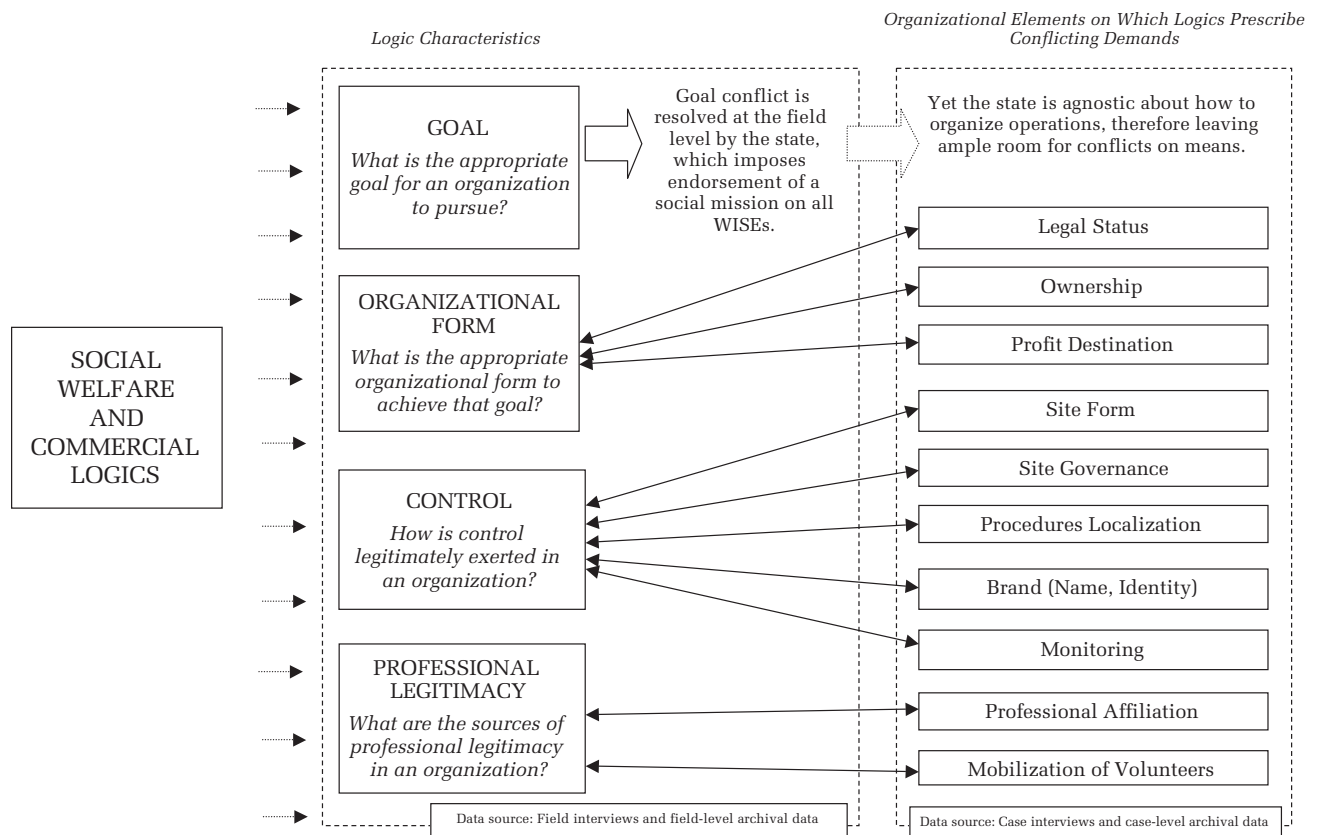
The two logics further prescribed competing views related to the legitimate level of site monitoring. While the social welfare logic promoted control of sites by local actors and thus resisted centralization of monitoring, the commercial logic promoted centralized monitoring, allowing for the validation of centrally designed standard operating procedures.

Our informants' accounts also reflect an embeddedness in competing conceptions of professional legitimacy, with the social welfare logic promoting affiliation with professional organizations focusing on work integration and the commercial logic promoting affiliation with industry federations. Finally, we identified competing demands related to the legitimacy attributed to volunteers. According to the social welfare logic, volunteers are not only a cheap resource, but also a highly legitimate one: they embody the values of selfless commitment to a social mission. For the commercial logic, volunteers are not commonly used resources and are perceived as amateurs, in contrast to professional, paid staff.

We summarize in Table 3 the ten elements on which logics impose conflicting demands, detailing their content, describing how we measured them, and providing supportive quotes.

Stage 3: Identification of the response patterns. To address our research questions, we conducted a subsequent round of analysis to learn how each organization responded to the conflicting demands identified in stage 2. Specifically, we identified the behaviors enacted at two distinct points: at the time when the organizations engaged in the scaling-up process (when they were one to four years old), and in 2007 (the last year of our data collection). For each organization and each element, we analyzed the behavior enacted and compared it with the demand prescribed by each logic. This analysis allowed us to find out whether a given organization, for a given element, fully complied with a demand and, if so, which one, or whether it altered the prescribed behaviors.

We further assessed whether and how demands were enacted differently between the early scaling-up years and 2007. Given the very limited vari-

TABLE 3
Conflicting Demands Imposed by the Social Welfare and Commercial Logics

Elements	Source of Conflict	Demands from Social Welfare Logic	Demands from Commercial Logic	Measure
Legal status	What is the legitimate legal status of operating sites?	Nonprofit form Sites should be formed as nonprofits because that legal status is the best safeguard against mission drift. *"The nonprofit status obliges us to keep our focus on work integration. If we would change statuses, even with our current board, some would say 'let's go make profits.'"* (*SOCYCLE site board member*)	For-profit form Sites should be formed as for-profits because that status is more effective for producing goods and services. *"We chose a for-profit status because we operate in a competitive space and we needed an image different from a non-profit. A nonprofit can be really professional but in people's minds, a nonprofit is not for profit, it is not professional, it is not strong financially. So we wanted to enter this competitive space with a business image."* (*BUSITECH founder*)	Incorporation status of sites
Ownership	Who are the legitimate owners of the sites?	Mission guardians The legitimate owners of sites are those who adhere to and are willing to protect the organization's social mission. *"Ultimately, it is important that those who make the key decisions for the organization are those who care about the mission, not those who might care about their dividends."* (*TEMPORG executive director*)	Capital holders The legitimate owners of sites are those who have invested capital in the sites. *"At the end, it always comes down to what shareholders want. They are the owners."* (*BUSITECH founder*)	Dominant ownership of sites
Profit destination	What is the legitimate use of profits?	Reinvestment in social mission The legitimate use of profits is its reinvestment in the mission of the organization. *"What we want is to generate surplus to create jobs or to train those who work with us. . . . If we generate surplus, which we do, we create new jobs, we create a new company or hire—as we did recently—a social worker or training expert."* (*SOCYCLE site manager*)	Appropriation by private interests The legitimate use of profits is the distribution of dividends to shareholders in proportion to the capital invested. *"MULTIWORK (WORK&CO mother organization) is now managed from Zurich and Chicago and these guys know nothing about work integration in France. So at some point, they will ask for a return on investment."* (*WORK&CO national coordinator*)	Surplus distribution practices
Site form	What is the legitimate form of sites?	Autonomous entities Sites should be structured as autonomous entities that allow for local members to take ownership of the site. *"We could have chosen to develop as a group with subsidiaries, but we wouldn't have had access to volunteers in local boards who have close ties with local funders and were able to mobilize local support."* (*SOCYCLE national board member*)	Branches or wholly owned entities Sites should be structured as entities that allow for control and oversight from the owners. *"What was atypical for MULTIWORK was to create autonomous legal entities, because at MULTIWORK, they create clones or secondary establishments."* (*WORK&CO national coordinator*)	Legal structure of sites

Continued

TABLE 3
(Continued)

Elements	Source of Conflict	Demands from Social Welfare Logic	Demands from Commercial Logic	Measure
Site governance	What is the legitimate level of involvement of local actors in site governance?	Mobilization of local actors in site governance Local actors, as legitimate experts of local needs, should be involved in the leadership of local sites. "*There is one thing that I really shouldn't do: recreate the multinational company that I worked at for 30 years. So the idea is that if there are local entrepreneurs willing to launch a BUSITECH site, we are willing to help them, to share our know-how and to have them join our network. We are ready to help, but the locals have to take the lead.*" (*BUSITECH founder*)	No mobilization of local actors required for site governance Experts, mobilized at the national level, are legitimate to address organizational and strategic challenges. "*It is a great comfort to know that everything is controlled in headquarters. We have experts on various issues, such as legal affairs, accounting, management and social work. If we are in trouble, we know exactly whom to contact.*" (*TEMPORG site manager*)	Systematic involvement of local actors in site governance
Procedures localization	What is the legitimate level of localization of operating procedures?	Locally adapted procedures Procedures should be adapted at the local level to adapt to the specific needs and resources of the local environment. "*Locally, there is a nonprofit which is in charge, responsible and which is close to the field and thus knows what can be done and what cannot be done. It is not an entity in Paris that should tell this site, 'this is what you should do.'*" (*SOCYCLE national board member*)	Standard operating procedures Procedures should be standardized because this is a source of consistency and efficiency gains. "*One of the issues with our site managers is that they are not systematic and regular with sales initiatives. So we hired a national sales director who will define a real planned national sales strategy, and who should do what.*" (*TEMPORG executive director*)	Existence and enforcement of SOP: in HR, accounting, IT, training, sales, pricing
Brand (name, identity)	What is the legitimate scope for brand identity?	Localized The brand should be defined at the local level, as a way for local actors to express their knowledge and identity. "*What our partners buy is our deep knowledge of the community, our local networks. This is what matters most to them. The brand, the looks and all that does not matter to them that much.*" (*Field expert*)	Unified The brand should be unified across all sites to project consistency in identity and quality. "*When I talk about our network made of different brands to large companies, they look at me, puzzled, asking, 'what is that thing?'*" (*WORK&CO deputy coordinator*)	Branding uniformity: common name, common visual identity
Monitoring	What is the legitimate level of site monitoring?	Local monitoring of sites No central resources are needed to monitor sites because practices designed at the local level should also be controlled at the local level. "*We would rather use a participative approach where we share ideas, where we don't force things. Mark and myself, we are social, so we decided we would not impose things. There is a whole ideology behind that posture.*" (*WORK&CO deputy coordinator*)	Central monitoring of sites Centrally designed standard procedures should be monitored centrally, thus requiring the mobilization of resources at the central level. "*If you want quality, there is no way out of monitoring sites and helping them to learn from each other.*" (*TEMPORG executive director*)	Royalties paid by sites to fund central monitoring organization

TABLE 3
(Continued)

Elements	Source of Conflict	Demands from Social Welfare Logic	Demands from Commercial Logic	Measure
Professional affiliation	What is the legitimate affiliation with professional organizations?	Work integration federation The work integration federation is the place where the interests of work integration professionals are best represented and promoted. "*It is important that there is a structure that helps us as work integration enterprises, that represents us, that does lobbying when necessary. So I chose to remain affiliated with them.*" (*BUSITECH founder*)	Industry federation The recycling or temp work industry federations are the places where the interests of recycling and temp work are best represented and promoted "*The affiliation with PRISME (temp work professional association) is indispensable in terms of image. It means that we are serious.*" (*WORK&CO site manager*)	Systematic site membership with professional organization
Mobilization of volunteers	What is the legitimate use of volunteers as a human resource?	Mobilization of volunteers (including those in operational positions) Volunteers are not only valuable but desired resources because they embody a selfless commitment to the social mission. "*Why is a nonprofit better? Because . . . it allows for the mobilization of volunteers. What I like about it is that there is no self interest. So people's sole motivation is what we do.*" (*Field informant*)	No mobilization of volunteers Volunteers are not used as resources and often considered as amateurs in the commercial sector, where paid professionals are the only legitimate human resources. "*One cannot create a real company with members who are totally volunteers. That is good for charitable organizations, for the Red Cross or other places like that.*" (*BUSITECH founder*)	Existence of volunteers in operational positions other than board

ations in responses over the two periods, we decided to report, in tables 5 and 6, the behaviors enacted in 2007. In these tables we report the response that the organizations enacted for each element, and categorize this response as the enactment of a demand imposed by one of the two competing logics, or as the enactment of an alternative behavior. In particular, we identified and tracked two types of alternative behaviors: decoupling or compromise, as described in the theory section.

In a final step of analysis, we attempted to uncover the determinants of the observed response patterns. To do so, we compared the response tables and identified differences and similarities across response patterns. The data revealed that SOCYCLE and TEMPORG exhibited a similar response pattern, different from the one mobilized by BUSITECH and WORK&CO. In particular we found that industry differences (temp work versus recycling) did not shape the response patterns, but that organizational origins did have meaningful implications for the phenomenon under study. Finally, we shifted our focus to a dialogue between theory and data (Ragin & Zaret, 1983) to make sense of

these findings. This process led to the insights presented next.

FINDINGS

Organizational Responses: Selective Coupling rather than Decoupling or Compromising

Previous research suggests that, under conditions of competing institutional demands, organizations are likely to resort to decoupling as a response strategy (Elsbach & Sutton, 1992; Fiss & Zajac, 2006; Meyer & Rowan, 1977; Westphal & Zajac, 2001) or attempt to compromise (Oliver, 1991; Rowan, 1982). Yet our data suggest that organizations rarely decoupled their formal structure from their operational structure. Furthermore, they rarely engaged in compromise by only partially satisfying the demands from their institutional referents. In contrast, we find evidence of an alternative strategy that involved the selective coupling of intact demands drawn from each logic.

SOCYCLE provides a compelling illustration of this pattern. Only two demands were enacted in an

incomplete way to at least partially satisfy both logics, including one altered through decoupling and one altered through compromise. Specifically, in terms of legal status of sites, SOCYCLE enacted a combination of for-profit and nonprofit forms for its new sites, sending the signal of adhesion to both logics. In terms of standardization, SOCYCLE adopted a decoupling approach: it officially adopted rigorous standard operating procedures across sites but, looking more closely, it was clear that these procedures were not implemented by the local sites, which exhibited a high degree of local autonomy and variance in their procedures.

Yet SOCYCLE's response strategy was very different for the other scale-up elements. SOCYCLE respected the substance of social prescriptions regarding how to structure the network of sites: on five structure-related elements it enacted the demands from the social welfare logic "by the book." It developed its sites as autonomous entities, all of which were owned by strong advocates of the mission of the organization. All for-profit sites, in particular, were owned by a local SOCYCLE nonprofit to "ensure that control be exercised by people who are not directly involved as shareholders or managers" (SOCYCLE executive director). This ownership structure implied adherence to the profit destination model prescribed by the social welfare logic: profits generated in the for-profit sites were distributed to the nonprofit owner, which, just as with nonprofit sites, used these resources to further the organization's mission. The governance model designed by SOCYCLE was based on local embeddedness, as promoted by the social welfare logic. Control over sites was exercised by local volunteer boards of directors, who mobilized key local actors (local public officials, social partners, business partners and experts). A SOCYCLE executive explained: "Local sites were built on strong local roots, with strong political support. SOCYCLE succeeded because the social project was strong and because the individuals promoting it were strong too." Finally, SOCYCLE required all sites to affiliate with the local work integration professional union as a way to demonstrate their connection with the social sector.

Despite the close adhesion to these five social welfare demands, SOCYCLE also enacted four intact commercial demands. It invested in a strong national brand, a practice promoted by the commercial logic. Not only did all sites bear the same name (with the name of the city next to it), but also they all shared a similar visual identity and a na-

tional website. In addition, to ensure standardization of operations at the national level, SOCYCLE developed a national organization very early on, which was in charge of development, monitoring, and control. A cofounder explained, "SOCYCLE started out as a very tight and controlled group. This tight structure was very important early on, because it allowed us to develop the model and to make sure it would not be perverted." Moreover, important resources were mobilized and allocated to ensure monitoring and control at the national level. Fourteen staff members were mobilized at the national level. Sixty percent of their costs were covered by the local sites, which contributed 3 percent of their turnover to the national organization. Finally, SOCYCLE required all of its sites to affiliate with a waste management professional organization. Overall, SOCYCLE managed its embeddedness in competing logics not so much by decoupling competing demands or altering them, but rather by selectively combining intact demands drawn from both logics.

We observed very similar patterns in the other three cases. TEMPORG, for instance, did not decouple in any area and altered only two demands through compromise: it developed a hybrid ownership structure, combining mission holders (not-for-profit shareholders, for 59 percent) and capital holders (private for-profit investors, for 41 percent); in terms of procedures, TEMPORG standardized a wide range (HR, accounting, IT, and training) yet gave its sites full autonomy over pricing and sales. In contrast, TEMPORG enacted intact demands in the other eight elements. Complying with the commercial logic, it chose a for-profit legal status, developed its sites as branches of a national organization, developed a common brand identity, mobilized substantial resources to monitor and control operations at the national level, required all sites to affiliate with the temp work professional organization, and ignored volunteers as a potential resource. In compliance with the social welfare logic, it chose not to redistribute any dividends to shareholders, developed local ownership by mobilizing local advisory boards composed of local stakeholders, and required all of its sites to also affiliate with the work integration professional organization. Table 4 details these response configurations.

Similar patterns applied to BUSITECH and WORK&CO. Both organizations decoupled only one demand and altered two through compromise strategies. They enacted intact demands drawn

from either logic in the other seven elements. Table 5 details these response configurations.

Table 6 summarizes the response pattern for all four organizations. It is clear that, in contrast to what is suggested in the literature, the organizations in our sample did not predominantly balance conflicting expectations through decoupling or compromise strategies at the practice level. Most of the behaviors enacted involved the adoption of intact demands from either logic.

Notably, these configurations appear to be very stable over time: across the four organizations, 86 percent of the demands enacted in the early scale-up years were still enacted in 2007. This suggests that the pattern identified is neither temporary nor unstable. Rather, the configurations enacted appear as lasting commitments to a way of doing things. Data also suggest that such configurations are hard to change. In 2007, the leaders of two organizations expressed the desire to change some elements of their organization's structure. SOCYCLE's executive director, for instance, explained that when the leadership team introduced the idea to change the ownership of their WISE by inviting private investors as shareholders of the for-profit sites, internal reactions were intense:

> This idea generated an internal revolution that was not easy to deal with. There was real resistance to change. The old timers, the early activists in our network, thought that we were deviating from our social mission, from our work integration mission, that we embraced a business goal, whereas for us, it was just a means to achieve our social goal.

Similarly, the national coordinator of WORK&CO explained the difficulties in convincing managers of the local sites to adopt a unified brand to reflect their affiliation with their multinational mother organization: "The work integration enterprise is [the site managers'] toy; they don't want their mother organization to appropriate it."

Overall, this analysis indicates that organizational leaders do, on a lasting basis, attempt to balance the conflicting expectations of institutional referents, yet they do so predominantly at the organization level rather than at the practice level. And while we found instances of decoupling at the practice level, as suggested by the wealth of decoupling studies in institutional theory, these were atypical rather than common choices. Significantly, the data suggest that the response patterns crafted by these four organizations allowed them to avoid major legitimacy threats and to sustain their

activities over the long run: the four organizations not only survived for more than 11 years after founding (and up to 22 years for SOCYCLE), but all of them achieved performance levels (in terms of turnover, number of social employees hired, as well as annual growth rates in the last three years) superior to the average in the field (see Table 1 for detailed numbers).

The cross-case analysis reveals that, although all organizations in the sample adopted a similar strategy of selective coupling, they enacted different combination patterns. This led us to investigate the factors that determine these different patterns.

Organizational Origins as a Determinant of Selective Coupling Patterns

Organizational behavior is often guided by the norms and values embedded in specific activities. Occupational groups and professions, in particular, have been identified as powerful carriers of institutional logics (Hirsch, 1986; Thornton et al., 2005). Building upon this view, one would expect that professionals socialized into a given institutional logic would carry this logic over to other fields. In the context of our study, one would expect organizations originating from the commercial sphere to enact primarily commercial demands, given the embeddedness of their professional members in the commercial logic, and organizations emanating from the social sector to adopt primarily social welfare behaviors, under the influence of social sector professionals.

Surprisingly, our data suggest a different dynamic. A striking pattern in our sample is that organizations that come from the commercial sector (i.e., organizations that were founded by or in close partnership with a business company) enacted predominantly social welfare demands, more so than organizations coming from the social sector (i.e., organizations that were founded by or in close partnership with a social sector organization). In contrast, organizations originating from the social sector enacted a balanced combination of intact social welfare and commercial demands, but still adopted more commercial behaviors than organizations originating from the commercial sector.

The TEMPORG/WORK&CO pair illustrates this dynamic. TEMPORG was rooted in the social sector. Founded by two social workers who were pioneers in the work integration sector, it was launched in the early 1990s as a subsidiary of France's most prominent work integration group.

TABLE 4
SOCYCLE's and TEMPORG's Responses to Conflicting Social Welfare and Commercial Demands in 2007

	SOCYCLE			TEMPORG		
Elements	Enactment of a Demand Prescribed by the Social Welfare Logic	Enactment of an Alternative Behavior (Decoupling/ Compromise)	Enactment of a Demand Prescribed by the Commercial Logic	Enactment of a Demand Prescribed by the Social Welfare Logic	Enactment of an Alternative Behavior (Decoupling/ Compromise)	Enactment of a Demand Prescribed by the Commercial Logic
Legal status		A combination of nonprofit and for-profit sites				All sites operated under for-profit status
Ownership	All sites (including for-profit ones) are owned by a local nonprofit				Combination of capitalist and nonprofit shareholders (with a slight majority to nonprofit shareholders)	
Profit destination	No profit appropriation			No profit appropriation (moral agreement between shareholders)		
Site form	Sites are autonomous legal entities					Sites are branches of a national organization
Site governance	Governance by local boards composed of local actors			Mobilization of local advisory boards with local actors for all local sites		
Procedures localization		Decoupled standardization (formal procedures written yet not always applied)			Common procedures on some activities and autonomy on others	
Brand			Common name + common brand identity + common communication tools			Common name + common brand identity
Monitoring			Sites pay 3 percent of their turnover to HQ			Sites pay 4.5 percent of their turnover to HQ
Professional affiliation	All sites affiliate with work integration federation		All sites affiliate with industry federation	All sites affiliate with work integration federation		All sites affiliate with industry federation
Mobilization of volunteers			No volunteers in operational functions other than board members			No

TABLE 5
BUSITECH's and WORK&CO's Responses to Conflicting Social Welfare and Commercial Demands in 2007

	BUSITECH			WORK&CO		
Elements	Enactment of a Demand Prescribed by the Social Welfare Logic	Enactment of an Alternative Behavior (Decoupling/ Compromise)	Enactment of a Demand Prescribed by the Commercial Logic	Enactment of a Demand Prescribed by the Social Welfare Logic	Enactment of an Alternative Behavior (Decoupling/ Compromise)	Enactment of a Demand Prescribed by the Commercial Logic
Legal status			All sites operated under for-profit status			All sites operated under for-profit status
Ownership	Each for-profit site is owned by a nonprofit				Combination of capitalist and nonprofit shareholders (with a slight majority to nonprofit organization)	
Profit destination		Occasional profit redistribution			Decoupled redistribution: Announces no redistribution yet occasionally redistributes	
Site form	Sites are autonomous legal entities			Sites are autonomous legal entities		
Site governance	Governance by local boards composed of local actors				Local ownership by local shareholders only	
Procedures localization	No common procedures			No standard operating procedures		
Brand		Decoupled branding: Common name but no common identity and communication tools		No common brand: No common name + no identity		
Monitoring	No resources allocated to monitoring			No resources allocated to monitoring		
Professional affiliation		Some sites affiliate with industry and work integration federations		All sites affiliate with work integration federation		All sites affiliate with industry federation
Mobilization of volunteers	Most site operations run by volunteers (20 volunteers in total)			Each site managed by a volunteer manager (5 volunteers in total)		

TABLE 6
Synthesis of Response Patterns

Elements	Organizations with Social Origins						Organizations with Business Origins					
	SOCYCLE			TEMPORG			BUSITECH			WORK&CO		
	Social	Alternative (Decoupling/ Compromise)	Commercial	Social	Alternative (Decoupling/ Compromise)	Commercial	Social	Alternative (Decoupling/ Compromise)	Commercial	Social	Alternative (Decoupling/ Compromise)	Commercial
Legal status	✓	✓		✓		✓			✓			✓
Ownership	✓				✓		✓				✓	✓
Profit destination	✓					✓		✓			✓	
Site form	✓			✓			✓				✓	
Site governance	✓					✓	✓			✓		
Procedures localization		✓			✓		✓			✓		
Brand			✓			✓		✓		✓		
Monitoring			✓			✓	✓			✓		
Professional affiliation			✓	✓				✓		✓		
Mobilization of volunteers			✓			✓	✓			✓		
Patterns of elements adopted[a]	5	2	4	3	2	6	6	3	1	6	3	2

[a] We do not assume equivalence between the various elements enacted but consider that the patterns of demands adopted reflect the extent to which organizations complied with each logic.

WORK&CO emanates from the commercial sector. It was created as a wholly owned subsidiary of MULTIWORK (a leading multinational group in the temporary work industry) by two training managers who viewed work integration temporary work as a strategic development for their company and as an expression of their own values.

Surprisingly, where one would have expected TEMPORG to enact predominantly social welfare demands, it in fact enacted predominantly commercial demands (six out of ten). It chose a for-profit legal status and adopted a branching structure to operate sites, as well as a strong uniform brand. In addition, it allocated resources to monitor and control standard procedures, affiliated with temporary work professional organizations, and decided not to mobilize volunteers. Only three out of the ten behaviors adopted by TEMPORG complied with the social welfare logic: the nonprofit appropriation, the mobilization of local advisory boards, and the affiliation with work integration professional organizations.

Similarly, given its roots, WORK&CO could be expected to enact primarily commercial demands. It did exactly the opposite. It enacted six social welfare demands out of ten. Whereas its commercial mother organization was set up as a global web of tightly controlled branches with a very strong brand and standardized procedures, WORK&CO chose to operate its sites as autonomous legal entities, with no common brand, no common procedures, and no monitoring or control over the sites. Sites were piloted by volunteer managers from the mother organization and were required to affiliate with the work integration professional organization. Only two out of ten commercial demands were fully respected: the for-profit legal status, as well as the compulsory site affiliation with the temp work professional organization.

Overall, TEMPORG, the organization with social origins, behaved more like a commercial organization than like a social organization and, in any case, more commercially than did WORK&CO. In contrast, WORK&CO, the organization with commercial origins, behaved more like a social organization than like a business and, in any case, more like a social organization than did TEMPORG.

The SOCYCLE/BUSITECH pair exhibits a similar pattern. BUSITECH, which was founded by young retirees of the multinational IT firm COMPUTER under the impulse of its president for France, enacted only one commercial demand: it chose to operate its sites as for-profit entities. On all other nine elements, BUSITECH chose to enact demands from the social welfare logic. In contrast, SOCYCLE, which was founded with close ties to COMMUNITY, a very prominent international social organization, enacted five social welfare demands and four commercial demands. And whereas it combined both social welfare and commercial behaviors, it enacted more commercial behaviors than did BUSITECH.

Since the two organizations with social origins were founded five and nine years earlier than the two commercial organizations, one could argue that the patterns that we observe may be explained by differences in the logics imposed on these organizations at the time of founding (Singh & Tucker, 1986; Stinchcombe, 1965). Yet, although our analysis of the field dynamics indeed suggests that the influence of the social and commercial logics evolved over the years, it actually highlights that the influence of the social logic has been progressively eroded by the influence of the commercial logic. Had the responses been shaped by the strength of each logic at the time of founding, the two organizations founded in 1994 and 1995 (i.e., the two organizations with commercial origins) should have behaved more "commercially" than those founded in 1985 and 1991 (i.e., the organizations with social origins). Yet what we observe is exactly the opposite.

One could further argue that the patterns we observe can be attributed to organizational size, since the two smaller organizations, in terms of number of sites, staff and resources (WORK&CO and BUSITECH) and the two larger organizations (SOCYCLE and TEMPORG), respectively, exhibited similar patterns. However, as mentioned in the methods section, we analyzed the behaviors enacted by the organizations in our sample when the organizations entered the scaling-up process (in their first through fourth years of existence, depending on the organization, when they were still small), as well as in 2007. The patterns that we report for 2007 are very similar to those enacted in the early scale-up years. This suggests that size does not explain the patterns that we uncovered. Organizational size may actually be an outcome of our findings rather than a cause. All organizations were of similarly small size when they started to scale and nevertheless enacted different response patterns that led to different patterns of growth.

Our informants' accounts suggest an alternative explanation for this unexpected behavior. One of our informants with WORK&CO reflected upon the

reactions generated by the decision to enter the work integration field as the subsidiary of MULTIWORK, their multinational mother company: "[When we started to work on the creation of our first work integration enterprise in 1991], everybody was angry at us, especially the social sector actors. Because we came to eat off their plate. Because [MULTIWORK] was big, people were afraid of us. Why would we do this job? Necessarily, to make money. And this bothered them. This was not our playground. Social people did not want to have us on their playground."

BUSITECH leaders shared similar perceptions: "People from the social world did not like us to enter their private preserve. They considered us as business executives with no experience in the social sector. And because there was [COMPUTER, their mother organization] behind us, they said: 'They want their toy. These days, it is good for companies to get involved in social activities, so they do it too. They come to eat our bread.'"

This resistance was further demonstrated by the reaction of the local representatives of the state, who were approached to obtain work integration accreditation. A WORK&CO informant recalled: "[The local representatives of the State] clearly told us: don't even bother filing your application. It will never get accepted." BUSITECH also received a first refusal from the accreditation commission for its site in Bordeaux, and had to mobilize the regional prefect to get the application accepted.

These findings suggest that in a field where the social logic—by way of state imposition of the social goal—remained dominant, organizations with a commercial imprint (BUSITECH and WORK&CO) suffered from an a priori lack of legitimacy that seriously jeopardized their very existence and, in turn, influenced their response strategy. WORK&CO leaders, for instance, initially considered enacting the commercial demand of creating wholly owned work integration subsidiaries. Negative reactions from the regional union of WISEs led them to devise an alternative strategy: "We decided to use a chameleon tactic. They think we are the bad guys? Then we are going to prove them, in practice that we are not. And we are going to learn that job that we don't know."

WORK&CO leaders subsequently decided to systematically partner with well-respected local social actors and to become minority shareholders in these autonomous organizations. By 1996, ten such organizations had been launched, borrowing heavily from the social welfare logic template.

BUSITECH also decided to ally with a prominent social partner in its Paris site. The president of BUSITECH's partner organization explained: "Their image as former COMPUTER executives did not really fit with a social project. The partnership that they built with us convinced the accreditation commission to grant BUSITECH the right to operate as a work integration enterprise." Alliances were thus used by both BUSITECH and WORK&CO to enhance their social legitimacy (Dacin, Oliver, & Roy, 2007). Yet, in addition to alliance strategies, BUSITECH and WORK&CO overwhelmingly enacted social welfare demands when scaling up their operations, despite these organizations' commercial origins.

DISCUSSION: UNDERSTANDING HYBRID ORGANIZATIONS

Our study seeks a better understanding of the functioning of hybrids, defined as organizations that incorporate competing institutional logics (Battilana & Dorado, 2010; Greenwood et al., 2011; Haveman & Rao, 2006). It focuses specifically on the intraorganizational processes of hybrids, identifying specific patterns of logic combinations, as well as their determinants, thereby providing clues about how hybrid models of organizing can be sustained. A thorough examination of organizations in the field of WISEs in France allowed us to discover that hybrids that are persistently embedded in competing institutional logics combined elements of the competing social welfare and commercial logics by selectively coupling intact demands imposed by each logic, instead of adopting traditional strategies of decoupling or compromising. Further, our data suggest that the origins of these organizations determined the patterns of logics combination in a way that contrasted with traditional institutional arguments, which emphasize founders' taken-for-granted adherence to particular logics (Hwang & Powell, 2009). Below we elaborate on each of these findings and discuss our contributions to institutional theory and to the emergent literature on hybrid organizations.

Inside the Hybrid Organization

Our research suggests that hybrid organizations combine the competing logics in which they are embedded through selective coupling. In contrast to decoupling, which entails the ceremonial espousal of a prescribed practice with no actual en-

actment, selective coupling refers to the purposeful enactment of selected practices among a pool of competing alternatives. Selective coupling allows hybrids to satisfy symbolic concerns, just as decoupling does. Accounts from our informants emphasize the symbolic power of some practices—the most visible ones—that were adopted with the purpose of projecting appropriateness, as illustrated by this quote by one of SOCYCLE's site directors, who explains his decision of developing a new entity with a for-profit legal status: "A nonprofit can be really professional, but, in people's mind, a nonprofit is not-for-profit, it is not professional, it is not strong, financially. We wanted to enter this competitive space with a business image. . . . So we chose a for-profit status." For hybrids, which are embedded in environments where the scrutiny of institutional referents is hard to avoid, selective coupling appears to be a safer and thus more viable strategy than decoupling, because it does not put them at risk of being caught faking compliance—a probable occurrence in instances of enduring institutional conflict.

Similarly, selective coupling also appears to be superior to practice-level hybridizing strategies, such as compromising (Oliver, 1991), because it keeps organizations from having to engage in multiple negotiations with institutional referents or from having to craft new practices that are a compromise between the practices promoted by each logic (Battilana & Dorado, 2010). As such, selective coupling may be a less costly strategy than compromising because it does not require organizational members to come up with alternative ways of doing things. It may thus be more accessible to resource-constrained organizations.

The pattern of selective coupling that we uncovered builds upon the conception of logics as "cultural toolkits" (Swidler, 1986; Tracey et al., 2011) that actors can use in various configurations to solve different kinds of problems. A strength of hybrids is that they have access to a much broader repertoire of institutionalized templates that they can combine in unique ways. This places them at an advantage if they are able to craft a configuration of elements that fits well with the demands of their environment and helps them leverage a wider range of support. Our study thus suggests that hybrids are characterized by a certain degree of reflexivity, spurred by the contradictions in which they are embedded (Seo & Creed, 2002). We provide evidence to the fact that, in the face of institutional logics that are competing over the long term, hy-

brids do not blindly comply with institutional prescriptions (DiMaggio & Powell, 1983) or with the cognitive frames into which their members have been socialized (Hwang & Powell, 2009). In the field of work integration, hybrids with social origins were not trapped into mimicking social practices, just as hybrids with commercial origins were not cognitively constrained to replicate commercial practices. In contrast, our data suggest that hybrids selectively complied with institutional logics, echoing the concept of "strategic isomorphism" proposed by Aurini (2006).

Hybrid Strategies

Another important contribution of our work is the identification of specific patterns of selective coupling. BUSITECH and WORK&CO, the two organizations in our sample that were founded by prominent commercial actors, chose to enact a majority of practices from the social welfare logic, despite their initial attachment to the competing commercial logic. We explain this pattern by a need to compensate for their lack of legitimacy, due to their affiliation with a commercial multinational, in a field dominated by a social welfare mission. We named this pattern "Trojan horse" because, just as the large wooden horse reassured the inhabitants of Troy (the horse being the symbol of Troy) and allowed Odysseus and his soldiers to enter the city under cover, the strategic adoption by illegitimate actors of behaviors prescribed by the dominant logic in a field may enable them to gain acceptance for entering the field. This strategy is both symbolic and substantive, as the enacted behaviors are then maintained for the long term.

The Trojan horse strategy contrasts in important ways with the strategy devised by TEMPORG and SOCYCLE, the two organizations that were founded by prominent social actors. These organizations benefited from a priori legitimacy in the field of WISEs, since no external referents feared, ex ante, that they would depart from their work integration mission. As a result, they were able to liberate themselves—at least partially—from institutional influences and enact a combination of social welfare and commercial elements. These findings echo Sherer and Lee's (2002) study, which showed that highly legitimate law firms had more freedom to depart from the dominant recruitment model in the field because their high level of legitimacy protected them from the fear of losing institutional support. Yet our study shows that this

pattern goes beyond the departure from a single prescribed behavior. In fact, legitimate actors in the field of work integration combined a set of behaviors borrowed from both social welfare and commercial logics.

Notably, these two organizations exhibited the highest performance level for WISEs in their respective industries. TEMPORG was able to recruit 700 full-time equivalent (FTE) beneficiaries in 2007, whereas the average temporary work company hired 35 FTE. SOCYCLE mobilized 800 beneficiaries, whereas the average recycling enterprise mobilized 15 FTE. Although we cannot draw direct performance implications from a comparison with the general population of organizations, these data suggest that the response combinations that TEMPORG and SOCYCLE crafted allowed them to secure a broad range of social and political support, enabling them to scale up operations and maximize social impact by integrating more long-unemployed people into the workforce. Their initial legitimacy, combined with a minimal level of compliance with social welfare templates, was enough to please their social constituencies. As a result, they were able to gain local political support, mobilize public funds, secure the sourcing of social employees, and guarantee mentoring by partner social organizations. Their ability to display compliance with the commercial logic in addition allowed them to gain credibility with their commercial constituencies. They were able to interact on a more equal footing with industrial partners, clients, and investors, and as a result they were able to negotiate more favorable conditions to sustain their commercial activity. Their hybrid configuration allowed them to develop an organizational form combining a high level of central control and coordination with a high level of local engagement. This organizational form may have enabled them to benefit from the best of both (institutional) worlds.

Overall, these findings contribute to a better understanding of hybrids by uncovering two different sides of hybrids' reflexivity. On the one hand, by crafting various logic combinations, hybrids show their ability to work around institutional constraints and use them to their advantage, thus demonstrating a fair amount of agency. On the other hand, hybrids remain highly constrained by the need for legitimacy. This suggests that the institutional freedom that hybrids gain from their exposure to institutional contradictions can only be leveraged by those whose legitimacy is secure in the first place.

Sustaining Hybrid Forms

Finally, our findings provide insights into the way hybrid organizations overcome the challenges associated with their multifaceted nature. One such challenge is that hybrids have been shown to be arenas of internal conflict (Battilana & Dorado, 2010; D'Aunno et al., 1991; Pache, 2012; Pache & Santos, 2010; Zilber, 2002), since organization members channel field-level institutional conflicts inside their organizations. Such conflicts can be very harmful for organizations (Glynn, 2000) because coalitions of members adhering to a given logic may resist the influence of alternative logics. Our findings suggest that hybrid organizations can lessen these harmful internal conflicts if they are not confronted with (or are able to avoid) institutional conflicts on goals, and if they are able to manage institutional conflict on means by strategically combining intact elements from either institutional world. When institutional conflict on goal is unavoidable, organizations may be able to thrive by crafting a strong identity that focuses the attention of their members on convergent means, while recruiting members free from any institutional attachments at the source of the goal conflict (Battilana & Dorado, 2010). Taken together, these insights suggest that hybrid organizations may need to mobilize different response strategies to cope with internal conflict, depending on whether they are exposed to conflicting demands related to goals or means (Pache & Santos, 2010).

Even if hybrids are able to avoid these internal conflicts, they nevertheless face the challenge of securing support and resources from external institutional referents who are championing competing logics. To signal their appropriateness and gain support, they need to comply, at least partially, with the conflicting prescriptions imposed by these institutional referents. We find that the selective coupling of intact elements can enable hybrids to please institutional referents and thus secure widespread support. Our findings also suggest that hybrids may be able to strategically distinguish between important signaling elements that will cue institutional referents to the organizations' goals and motivations (such as for-profit versus nonprofit status), and those elements that can be more freely adopted and combined with others, as they are less loaded with meaning (such as internal monitoring processes). Taken together, these insights uncover a sustainable way in which hybrid organizations can

go about internally blending the multiple logics that they incorporate.

Limitations and Future Research

An important issue in case study research is the degree to which findings are generalizable to a broader population. Our work certainly contributes to a growing stream of practitioner literature on hybrids, more narrowly defined as organizations oriented toward both the market and the common good (Boyd, Henning, Wang, & Welch, 2010; Hoffman, Gullo, & Haigh, 2012). However, we believe that our findings have applicability beyond combinations of commercial and social welfare logics, which we consider only a subset of the hybrid space. Our sample was selected on the basis of the existence of conflicting demands rather than the content of those demands. Further, our findings are not specific to the social welfare or commercial sector logics and may apply more broadly to any field subject to institutional competition, such as the clash between medical professionalism and business logics in hospitals (Reay & Hinings, 2009) or the competition between the science and market logic in the biotechnology industry (Powell & Sandholtz, 2012). Thus, the selective coupling of intact demands enacted by organizations that possess, or are able to acquire, initial legitimacy may provide a blueprint for the development of sustainable hybrids in organizational fields that face enduring conflicting institutional demands.

In generalizing these results, it may be important to take into account the degree to which organizations embedded in competing logics have sought this exposure to conflict (WISEs that have decided to address a social mission through commercial activities are examples) or are forced to experience it (as have organizations that face changes in regulation). The former organizations may indeed be more willing (because of their motivation to combine both logics) and more able (because of their awareness of both logics) to selectively couple intact elements from both logics, whereas decoupling may prove more popular for organizations forced by regulation to adopt elements that their members do not believe in.

Future research may further explore how hybrids configure bundles of elements at the organization level (Powell & Sandholtz, 2012). Behaviors are not all equally visible to external audiences, nor do they have the same importance for all audiences. Different audiences may also have varying degrees of influence over hybrid organizations. These features are in turn likely to influence how organizations choose to adopt, reject, or couple specific elements. Further research will thus need to explore the types and determinants of these configurations.

Furthermore, although we have begun to explore when and how hybrid organizations are able to combine competing institutional logics, future research needs to clarify the situations in which hybrids may become a superior organizational form. As Kraatz and Block (2008) suggested in their review of organizational implications of institutional pluralism, organizations that are able to embody multiple logics in a sustainable way are likely to be ultimately more legitimate and thus likely to more efficiently garner the social and material support that they require to thrive. Such research would require an in-depth study of the survival and performance of organizations adopting a hybrid model, in comparison to peer institutions remaining faithful to a single logic or attempting to decouple or compromise. It would also require exploring the role played by organizational leaders in this process, to understand what explains their ability to combine competing institutional logics.

Conclusion

Institutional pluralism is becoming a permanent fixture of organizational life in an increasing number of societal sectors. The traditional view of how organizational leaders deal with pluralism has been shaped by studies that point to the prevalence of decoupling and compromise strategies to deal with temporary pluralism. Our study brings a new view of sustainable hybrid forms that selectively couple elements drawn from different logics, within the constraint imposed by their need for legitimacy. This finding allows us to move from a view of leaders of hybrid organizations as actors compromising on their actions or pretending to adopt practices while decoupling their organizational core, to organizational leaders as *bricoleurs* (Baker & Nelson, 2005; Mair & Marti, 2009) who perform institutional work (Lawrence & Suddaby, 2006), combining the templates and scripts afforded by a richer institutional environment while learning to navigate the minefields created by enduring institutional conflicts. In doing so, we contribute to the development of the microfoundations of institutional theory called for by Powell and Colyvas and shed light on "why institutional practices and

structures take the form that they do" (2008: 295). In particular, our study advances understanding of hybrid organizations by showing how they may constitute a viable organizational form that can exhibit distinct advantages in contexts of institutional pluralism. While much remains to be explored about the functioning of hybrid organizations, we hope to have provided, with this study, a building block for a much-needed theory.

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APPENDIX

History of the Field of Work Integration Social Enterprises in France

The first work integration social enterprises (WISEs) were created at the end of the 1970s by social workers who, in the context of the emerging economic crisis, were increasingly frustrated to see at-risk youth and people without professional qualification finding it difficult to enter the job market. Recognizing the limits of the social approaches sponsored by their organizations (targeting primarily health, housing, or poverty issues) in addressing job-related issues, they decided to create commercial subsidiaries—initially called "intermediary companies"—that were specifically designed to help unemployed people learn the skills of work. These organizations offered their beneficiaries short-term contracts, focusing on activities that were simple enough for people without qualifications, and organized close and indulgent supervision to help social employees go through the learning process.

WISEs rapidly gained the notice of policy makers concerned with increasing unemployment rates, and they benefited from the lobbying efforts deployed by the pioneers of the field. These experiments were progressively legitimized through various laws (in 1979, 1985, 1991, 1998, and 2006), which granted them the right and duty to operate as legal economic entities. These laws adapted French labor law to allow WISEs to resort systematically and repeatedly to fixed-term contracts for their beneficiaries.[4] In turn, they required WISEs to pay beneficiaries at minimum wage and to comply with legal and fiscal requirements. National policy makers rapidly institutionalized public financial support, in compensation for the costs incurred by the extra supervision requirements and the below-average productivity of their beneficiaries. This national recognition, together with the support provided by local governments, helped structure and develop the field.

Over the years, WISEs grew more and more separate from the social institutions that founded them. While this initial affiliation had helped work integration entrepreneurs reach out to social policy makers, it also generated tensions with traditional social actors, who viewed them as "joining forces with the bosses" or as "exploiters" (Pauly-Aboubadra, 2004: 9). The scattered initiatives that had flourished across France thus felt a growing need to join efforts and collaborate. The first regional union of WISEs, created in 1983, was soon followed by other regional unions. This led to the creation of the national federation of WISEs in 1988 and the formalization of the first WISE charter. In turn, the growing visibility of the field led to tensions with the commercial sector, which started to perceive these new enterprises as unfair competitors, because of the public subsidies that they received.

In the 1990s, in the face of the aggravation of the economic crisis, WISEs consolidated their position as both social and economic actors. With unemployment rates growing (up to 14 percent between 1994 and 1998)

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[4] Fixed-term contracts are, under the French labor law, officially reserved to specific circumstances (temporary or seasonal increase in activity, replacement of a sick employee, etc.).

and the time required for jobless people to find jobs increasing (in 1995, 40 percent of unemployed people had been looking for work for more than one year), WISEs became an important building block of local and national employment policies. During that period, they developed partnerships with local governments and often obtained access to local public funds in addition to the regulated state subsidy. They developed relationships with the public national employment agency, in charge of identifying potential beneficiaries, as well as with social and public actors in charge of social and professional integration issues locally. Under pressure to sustain their economic activities, work integration entrepreneurs progressively adopted "business entrepreneur" practices (Hugues & Gasse, 2004). Entrepreneurs with social backgrounds invested in management training, and entrepreneurs with new profiles—business school graduates as well as former business executives—started to join the field (Hugues & Gasse, 2004). This trend consolidated in 2000 as more and more organizations in the field voiced their identity as "real companies," joined employers unions, and partnered with capitalist businesses to develop business opportunities. By the middle of 2000, WISEs were thus integrated into both the social and the economic spheres.

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