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Time Matters! How hybrid organizations use time to respond to divergent stakeholder demands

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Abstract

Researchers have endeavoured to explore how hybrid organizations navigate conflicting institutional demands. Yet, the role of time has often been neglected. We address this oversight through a longitudinal comparative case study, where we investigate how time and stakeholder engagement shape hybrid organizations' capacity to secure support from stakeholders adhering to different logics. Grounding our insights in the literatures on hybrid organizations and stakeholder management, we reveal how stakeholder demands that appear to be incompatible when analysed from a short-term perspective can be seen as paradoxical when addressed with a long-term perspective. We also find that the development of this paradoxical perspective is facilitated by stakeholder engagement. Finally, we show that a long-term perspective helps hybrid organizations manage symbolic and substantive actions with the appropriate sequence and timing. Together, this evidence contributes to research by providing a better understanding of temporality and how it influences the effectiveness of organizations in responding to divergent stakeholder demands.

Keywords

hybrid organizations, stakeholders, substantive actions, symbolic actions, time

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Introduction

Societies are increasingly beset by challenges such as poverty, environmental degradation and healthcare emergencies that require the implementation of innovative solutions, the mobilization of disparate actors and the adoption of novel modes of organizing (George, Howard-Grenville, Joshi, & Tihanyi, 2016). In this context, scholars have recently acknowledged the role that can be played by hybrid organizations (Smith & Besharov, 2019), which incorporate in their core features elements from multiple institutional logics (Pache & Santos, 2013). Institutional logics set patterns of principles and norms that define acceptable goals and behaviours for individuals and organizations (Battilana, Besharov, & Mitzinneck, 2017).

Combining different logics gives hybrids the opportunity to build on a broad repertoire of institutional elements and recombine them in novel modes of organizing to develop innovations (Jay, 2013) and mobilize multiple stakeholders' support (Smith & Besharov, 2019) to address societal problems. Yet, if hybrids are to fulfil their potential, they must overcome tensions at both organizational (Ashforth & Reingen, 2014) and strategic levels (Raaijmakers, Vermeulen, Meeus, & Zietsma, 2015). One crucial challenge is that of managing the demands of stakeholders who are motivated by different logics, and therefore hold divergent expectations about appropriate organizational goals and behaviours (Lee, Ramus, & Vaccaro, 2018). One example is social-business hybrid organizations (Mair, Mayer, & Lutz, 2015), which combine the social welfare and commercial logics. On the one hand, they are exposed to the demands of 'commercial stakeholders' such as financial investors and suppliers, who adhere to the commercial logic, and therefore assess organizations in terms of financial performance and business processes (Pache & Santos, 2013). On the other hand, hybrids must also address the demands of 'social stakeholders' – non-profit organizations and social services – who adhere to the social logic, and therefore care primarily about social impact and organizational mission achievement (Battilana, Sengul, Pache, & Model, 2015). Recombining the demands of such stakeholders is a multi-faceted and long-lasting process that requires continuous adaptation and change over time (Jay, 2013; Smith & Besharov, 2019) in terms of the symbolic and substantive actions performed (Pache & Santos, 2013). Even though prior research has implicitly assumed that time plays a role of some sort, we know little about how time, in both its objective and subjective dimensions, is likely to shape hybrids' strategies to manage stakeholder demands, and the effectiveness of such strategies. Hence, we ask: *How does time influence hybrid organizations' strategies for managing divergent stakeholder demands?*

To address our research question, we build on the strengths of process analysis (Langley, 1999) and explore how two work-integration social enterprises ('Wises') managed the divergent demands of their social and commercial stakeholders between 2004 and 2010. Our results show that hybrids can enact a strategy of *temporal (mis)alignment* by sequencing different combinations of substantive and symbolic actions over time. The sequence and timing of the actions deployed is heavily influenced by whether hybrid organizations' managers interpret evolving stakeholder demands as either *incompatible* – that is, impossible to reconcile – or *paradoxical* – that is, contradictory but equally necessary for long-term success (Smith & Besharov, 2019).

Starting from this empirical evidence, we build on both the objective and the subjective views of time to advance research on hybrid organizations. The objective dimension of time refers to time as a linear and measurable construct, and studies how the sequence and timing of actions influence their effectiveness, also in view of stakeholders' past and future expectations (Mosakowski & Earley, 2000; Pettus, Kor, Mahoney, & Michael, 2018). The subjective dimension refers to how individuals understand and make sense of time and design organizational strategies accordingly (Kaplan & Orlikowski, 2013; Reinecke & Ansari, 2015). First, we theorize about the role of the sequencing and timing of actions performed by a hybrid organization to bring round or win back

neglected stakeholders without losing the endorsement of those that are already supportive. In this way, we add time, in its objective dimension, to the cultural and strategic toolkit that hybrids can use to address divergent stakeholder demands (Pache & Santos, 2013; Minzinneck & Besharov, 2018). Second, we leverage the subjective view of time to link stakeholder (Scherer, Palazzo, & Seidl, 2013) and paradox theories (Smith & Besharov, 2019). We theorize that stakeholder engagement helps hybrid organizations' managers understand how stakeholder demands that might look simply contradictory when analysed with a short-term perspective can be seen as paradoxical when analysed with a long-term orientation that explicitly takes into account the link between past, present and future. In this way, we suggest that time, in its subjective dimensions, can either help or hinder the capacity of hybrid organizations' managers to cope with multiple stakeholder demands.

Theoretical Background

Hybrid organizations and stakeholder management

Organizational scholars have investigated intra-organizational structures (Gumusey, Smets, & Morris, 2019) and processes (Ramus, Vaccaro, & Brusoni, 2017) to manage hybridity. Strategy scholars, meanwhile, have focused on the external tensions hybrids might face, looking specifically at how they manage stakeholders who adhere to different logics, and therefore impose divergent demands about appropriate goals and behaviours (Mair et al., 2015). Acknowledging that full alignment with all stakeholder demands is impossible to achieve (Pache & Santos, 2013), these scholars have suggested that hybrids should strategically blend elements of the institutional logics they incorporate to combine substantive and symbolic actions (Cuypers, Koh, & Wang, 2016; Pache & Santos, 2013) and hence respond to divergent stakeholders' demands 'differently and to different degrees' (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011, p. 319). Substantive actions are those that impact organizational goals and practices (Cuypers et al., 2016); symbolic actions are used to impress stakeholders but actually impact organizations' goals, processes, and practices only marginally (Ashforth & Gibbs, 1990; Cuypers et al., 2016).

Stakeholder management and time as an object

Recent research has investigated how hybrid organizations adapt and combine symbolic and substantive actions over time to address stakeholder demands as they evolve (Ashforth & Reingen, 2014; Crilly, Zollo, & Hansen, 2012). For instance, hybrids can engage in 'temporal compromise' (Minzinneck & Besharov, 2018) by oscillating between substantial compliance with different demands over time. While hybrids are substantively complying with one set of demands, they perform symbolic actions to make credible commitments to privilege other demands in the future. Alternatively, symbolic actions can be used to buffer stakeholder pressures and prepare the ground for other, more substantive actions later on, with responses consequently shifting from circumventing pressures to complying with them (Gumusey et al., 2019). Also, symbolic actions themselves can start to be substantively incorporated in organizational goals and behaviours (Raaijmakers et al., 2015).

Although scholars recognize that strategies to manage divergent stakeholders may change, and involve different combinations of actions over time, they have not thoroughly investigated how time and the temporality of these actions – such as timing, sequence and past actions – influence their effectiveness. Yet, mainstream strategy research, in adopting an objective approach to the study of time, has largely acknowledged that competitive advantage and the capacity to gain resources depend heavily on the correct timing and sequencing of actions (Pettus et al., 2018) in

relation to past decisions and expectations about future performance (Crilly et al., 2012). We build on this previous work to investigate how the temporality of actions performed by a hybrid organization influences its capacity to secure stakeholder support.

Stakeholder management and the subjective understanding of time

While scholars recognize that symbolic and substantive actions are subject to adaptation over time, they have also suggested that this adaptation is influenced by how hybrids' managers understand the nature and evolution of stakeholder demands (Ocasio & Radoynovska, 2016) following interaction with stakeholders (Smith & Besharov, 2019). In so doing, scholars have started to explain hybrids' strategies and their temporal evolution by building on research in stakeholder management (Scherer et al., 2013). This stream acknowledges that proactively engaging in dialogue and interaction with stakeholders, although costly (Scherer et al., 2013), can benefit organizations (Gegenhuber & Dobusch, 2017). It enables hybrids' managers to gain broader information and perspectives (Crilly et al., 2012) that can ultimately help them make more sense of complex and ambiguous situations and adapt their strategy accordingly.

Applying a stakeholder perspective to hybrid organizations, Smith and Besharov (2019) have recently suggested that engagement with external stakeholders can help hybrid organizations' managers perceive divergent institutional logics and the temporality of associated stakeholder demands not as *incompatible*, but as *paradoxical* – that is, contradictory yet interrelated, and equally necessary for success (Ocasio & Radoynovska, 2016) – thus making sense of their potential for integration and recombination. For instance, in their study of a social enterprise, Smith and Besharov (2019) have shown that stakeholder engagement can help recombine the short-term expectations of commercial stakeholders and the long-term demands of social stakeholders. In their study of a fair-trade organization, Reinecke and Ansari (2015) illustrate the temporal brokerage work needed to understand and reconcile the different time orientations – linear vs. cyclical – associated with the business and social development logics. Through these studies, scholars have posited that a paradoxical lens can help hybrids manage the trade-offs associated with the contrasting temporalities of divergent logics and stakeholder demands. However, scholars who frame time as a subjective construct, and are therefore interested in studying how it is understood by managers, proposed a more comprehensive role for time in organizational strategies. They have shown how paradoxical lenses can help link past, present and future together in ways that appear both coherent and acceptable (Kaplan & Orlikowski, 2013). This facilitates the understanding of how to recombine short- and long-term objectives (Slawinski & Bansal, 2012) and leverage past actions to boost the effectiveness of future ones (Kaplan & Orlikowski, 2013). We build on this previous work framing time as a subjective construct to investigate how engaging with stakeholders shapes hybrid organizations' strategies to address divergent stakeholder demands over time.

Methods

To address our research question, we performed an inductive (Yin, 1994), longitudinal (Langley, 1999) and comparative case study (Eisenhardt, 1989) in the setting of work integration social enterprises or 'Wises' (Battilana et al., 2015), in Italy.

Research context: the Italian Wise sector

Wises emerged in Italy from the non-profit sector during the 1970s. They consolidated their activities during the 1980s and 1990s, when they became important actors in the social sector for their capacity to reintegrate marginalized workers in the job market.

Table 1. Logics characterizing the Wise field in Italy.

Characteristics	Social welfare logic	Commercial logic
Goal	Address social issues as enshrined in the organization's mission – which, in the case of Wises, is to integrate marginalized workers	Be profitable by competing in the marketplace
Governance	Democratic control	Hierarchical control
Relevant stakeholders	Public bodies, donors, non-profit organizations, social services and employment offices	Customers, suppliers, private investors and other commercial partners
Stakeholder demands	Fulfilment of social mission; beneficiaries' wellbeing and personal development	Price competition, customer satisfaction and production efficiency
Source of legitimacy	Contribution to addressing societal issues	Capacity to compete in the market

Until the early 2000s, the Italian Wise field was *fragmented* and *pluralistic* (Pache & Santos, 2010), characterized by the longstanding coexistence of multiple demands exerted by uncoordinated stakeholders adhering to either the social welfare logic or the commercial logic. 'Social stakeholders' such as social services, non-profit organizations and employment offices require Wises to benefit society by training and counselling marginalized workers as prescribed by the social welfare logic (Battilana et al., 2015). Conversely, 'commercial stakeholders' such as suppliers, commercial partners and customers require Wises to address customer needs through production efficiency, market orientation and hierarchical control, as prescribed by the commercial logic (Pache & Santos, 2013). Table 1 presents a comparison of the main prescriptions associated with the social welfare and commercial logics.[1]

Until the early 2000s, the Wise field was fragmented but also *centralized* (Pache & Santos, 2010), because public bodies had the power and authority to impose their (socially oriented) dominant demands on Wises. Some Italian laws entitled public bodies to grant Wises the right to operate, monitor the achievement of their social mission, and fund them with out-of-market contracts and subsidies. In the early 2000s, conditions changed, and Wises encountered a field that was still fragmented, but only *moderately centralized* (Pache & Santos, 2010). Legislative changes forced cuts to public bodies' subsidies and out-of-market contracts to Wises, thus reducing their influence and power while contextually increasing that of commercial stakeholders. Wises now had to achieve their financial sustainability by relying mostly on market revenue. In the absence of a dominant actor that could impose clear and overriding prescriptions, Wises had to manage the multiple and fragmented demands of their now equally powerful social and commercial stakeholders. In this context, many Wises found themselves unprepared to address commercial stakeholders' demands.

Research design and setting

Given our interest in developing process theory (Langley, 1999), a comparative case study method (Yin, 1994) seemed the most appropriate. Case studies enable processes to be traced in their natural context (Eisenhardt, 1989) and a comparative approach enables a more robust and generalizable theory to be developed (Yin, 1994). Our sampling strategy was based on a contrary replication logic. That is, we selected organizations that were similar in all but one theoretically interesting dimension: how they made sense (Smith & Besharov, 2019) of their stakeholders' demands. This

strategy enabled us to obtain contrary results for a theoretically predictable reason (Yin, 1994). We identified two Wises that met the following four criteria, aimed at enhancing comparability and ruling out alternative explanations for their strategies.

1. We selected Wises that had suffered a lack of commercial stakeholder support in terms of financial, human and/or relational resources in 2003–04 because of their difficulties in managing these stakeholders after the new legislation of the early 2000s.
2. We selected Wises with comparable backgrounds (Pache & Santos, 2013): those that had been operating for at least a decade, had played central roles in their local contexts and had achieved improving financial and social performance before the change in environmental conditions of the early 2000s. This minimized the variation caused by differences in the Wises' development stages or centrality in the field.
3. We selected Wises that presented similar organizational characteristics: we selected non-profit entities that were internally organized into differentiated social and commercial departments, to minimize variation in the Wises' legal forms (Pache & Santos, 2013) or design (Battilana et al., 2015).
4. We selected Wises that adopted contrasting mechanisms to design their strategy: either engaging external stakeholders in the decision-making process or not.

This sampling strategy led us to identify two Wises, which we call 'Red' and 'Blue' to preserve their anonymity (see Table 2 for general information about the sample Wises).

Data collection

Data were gathered between late 2008 and the end of 2012 and covered a period from 2003 – immediately before the new legislation – to 2010. We first gathered and analysed information about the history and characteristics of the Italian Wise sector from interviews with sector experts and academic studies (e.g. Borzaga & Fazzi, 2011). In the second step, we gathered data to obtain a general perspective on each organization's mission, history and structure, and to understand the reasons behind the lack of support they experienced. In the third and final step, we collected data to understand how each Wise tried to gain stakeholder support. As shown in Table 3, overall we conducted 49 interviews, each lasting 20 minutes to an hour, and collected 212 documents.

We deployed three strategies to increase the trustworthiness and reliability of our findings. First, we interviewed a broad range of actors to triangulate information (Eisenhardt, 1989). We interviewed Wise members of varying tenures and hierarchical and functional roles. We interviewed external social and commercial stakeholders, selected for their importance as resource holders and providers for one Wise or the other. Finally, we interviewed experts from the social enterprise sector in Italy who knew both Wises well.

Second, we developed an interview protocol that we adapted to our informants to avoid respondent biases. We questioned members on: (i) whether the actions Wises used to gain support were intended to impact organizational practices, goals and processes (Ashforth & Gibbs, 1990) or were performed purely to impress stakeholders (Cuypers et al., 2016); (ii) how and why these actions changed over time; and (iii) to what extent Wises interacted with external stakeholders to understand their demands. We questioned external stakeholders to investigate (i) how and why their understanding and assessment of the Wise they were in contact with changed over time and (ii) how they interacted with that Wise.

Third, we triangulated interviews with archival and publicly available materials to minimize the risk of biases due to retrospective rationalization (Golden, 1997). Since interviews are particularly

Table 2. General information on Red and Blue.

Case Wise		Red			Blue		
Industry		Assembly			Cleaning services and assembly		
Area of activity		Northeast Italy			Northwest Italy		
Year of foundation		1990			1991		
Year of crisis		2004			2004		
Commercial performance	Year	Customers (evolution)	Revenues (€)	Net income (€)	Customers (evolution)	Revenues (€)	Net income (€)
	2002	Stable	600,000	20,000	Stable	900,000	20,000
	2004	Decreasing	500,000	(60,000)	Decreasing	1,100,000	(50,000)
	2006	Stable	1,100,000	100,000	Stable	1,300,000	20,000
	2008	Increasing	1,200,000	40,000	Decreasing	1,400,000	0,000
	2010	Increasing	1,500,000	50,000	Decreasing	1,400,000	(70,000)
Social performance	Year	Informal collaborations (evolution)	Formal partnerships (number)	Marginalized people employed (number)	Informal collaborations (evolution)	Formal partnerships (number)	Marginalized people employed (number)
	2002	Stable	4	30	Stable	5	30
	2004	Increasing	4	38	Stable	5	27
	2006	Increasing	4	35	Stable	4	32
	2008	Increasing	6	35	Increasing	6	33
	2010	Stable	7	41	Stable	7	34

Note: Revenues and Net income are rounded. We considered customer support to be 'decreasing' when a Wise lost critical customers, 'stable' when there was no significant change in customer composition, and 'increasing' when a Wise acquired significant customers. We considered informal collaborations to be 'decreasing' when critical social stakeholders ended their collaborations with a Wise for training and counselling marginalized workers, 'stable' where there were no significant changes in the collaborations and 'increasing' when social stakeholders agreed to start significant new collaborations with a Wise.

Table 3. Data sources.

Wise	Number of interviews with internal informants (total and per year)	Number of interviews with external informants (total and per year)	Number of archival data (total and per year)	Number of publicly available data (total and per year)
Red	19 interviews 2009: 3 General director: 1 Social area manager: 1 Production manager: 1 2010: 3 General director: 1 Social area manager: 1 Production manager: 1 2011: 9 General director: 3 Production manager: 2 Volunteers: 2 Technical employees: 2 2012: 4 General director: 1 Production manager: 1 Technical employees: 2	11 interviews 2009: 0 2010: 4 Customers: 1 Sector experts: 3 2011: 6 Suppliers: 2 Public agencies: 2 Social workers: 2 2012: 1 Non-profit manager: 1	97 documents 2004: 17 2005: 19 2006: 12 2007: 16 2008: 11 2009: 10 2010: 12	31 documents 2004: 1 2005: 6 2006: 3 2007: 2 2008: 11 2009: 2 2010: 6
Blue	12 interviews 2009: 3 General director: 2 Social area manager: 1 2010: 2 General director: 1 Production manager: 1 2011: 3 General director: 2 Social are manager: 1 2012: 4 General director: 1 Production manager: 1 Social manager: 1 Technical worker: 1	7 interviews 2009: 2 Sector experts: 1 Public agencies: 1 2010: 1 Public agencies: 1 2011: 2 Commercial partners: 1 Customer: 1 2012: 2 Public agencies: 1 Non-profit managers: 1	67 documents 2004: 8 2005: 11 2006: 14 2007: 8 2008: 11 2009: 9 2010: 6	17 documents 2004: 1 2005: 3 2006: 2 2007: 2 2008: 4 2009: 2 2010: 3

accurate when the focal events are recent (Eisenhardt, 1989), we used interviews as our primary source of information for events between 2006 and 2010. For events before 2006, we relied more extensively on archival and publicly available materials.

Data analysis

We analysed our data inductively, combining narrative and temporal bracketing strategies (Langley, 1999). This analysis enabled us to identify four different phases that comprise the Wises' strategy for coping with their stakeholders' demands. We label this strategy *temporal (mis)alignment*.

Narrative analysis and coding strategy. We began our data analysis using a narrative approach (Langley, 1999). We analysed and coded all the actions initiated by our sample Wises and then developed

a detailed, chronological narrative of each Wise's strategy to secure stakeholders' support. In this way, we noticed that some actions were initiated by Wises to change organizational practices, processes and goals, while others were performed to impress external stakeholders and not to change organizational processes and goals. Finally, some actions were taken to reinforce and highlight other, earlier actions. We also noticed that each Wise launched some actions to sustain its social impact and to improve the care and training of marginalized workers, as requested by social stakeholders. Other actions were launched to sustain market performance, as requested by commercial stakeholders. At this stage of analysis we moved to a more abductive phase (Jay, 2013; Langley, 1999), comparing our data with institutional theory (Ashforth & Gibbs, 1990) as applied to explain the functioning of hybrid organizations (Pache & Santos, 2013). Scholars in these literatures have suggested that an action can comprise both *intrinsic* and *symbolic* dimensions (Cuypers et al., 2016; Pache & Santos, 2013). In this view, substantive actions are those performed for their intrinsic value – that is, with the main purpose of having a tangible impact on organizational goals, structures and processes (Ashforth & Gibbs, 1990, p. 178). Symbolic actions are those performed to impress the target audience by conveying a socially constructed meaning that transcends the actions' intrinsic value (Pache & Santos, 2013). Given this definition, symbolic actions can be divided into two categories: *decoupled symbolic* actions, or actions that are initiated to impress external stakeholders but are detached from substantive actions, and *reinforcing symbolic* actions, or actions performed to impress external stakeholders by reinforcing previously enacted substantive actions.

Finally, we also analysed whether an action, irrespective of its symbolic or substantive nature, was consistent with the prescriptions associated with the social welfare (Battilana et al., 2017; Pache & Santos, 2013) or commercial logic (Pache & Santos, 2013; Ramus et al., 2017) and accordingly coded it as 'social' or 'commercial' respectively. In this way, we coded six types of actions (See Tables 4 and 5). For instance, we coded Blue's hiring of a psychologist in 2003 as a *substantive social* action. We coded this action as *substantive* because it was performed with the main intention of affecting 'the quality of the counselling and psychological support provided to marginalized workers' (social report, 2003). We coded this substantive action as *social* because it was consistent with the prescriptions of the social welfare logic, which requires specialized professionals to address social issues (Pache & Santos, 2013) – here, the counselling and psychological support of marginalized workers. We coded Blue's presentation of its psychologist's activities during some meetings with social and commercial partners between 2004 and 2005 as a *reinforcing social symbolic* action. This action did not affect the Wise's priorities and practices, but highlighted a previously enacted substantive social action: the hiring of the psychologist. Finally, we coded Red's 2008 appointment of its chief financial officer as president as a *decoupled commercial symbolic* action:

> For more than 20 years, the president had been a volunteer [the founder], and this obviously signalled we were socially oriented. By appointing the chief financial officer as the new president [in 2008], we wanted to say we had changed and had become more market-oriented . . . [but] the truth is that the chief financial officer has a strong social orientation because she was selected and trained by the president herself. (Red production area manager, interviewed in 2010)

As this quote shows, the appointment was primarily intended to convey the symbolic message of professional structure – a fundamental feature of organizations according to the commercial logic (Pache & Santos, 2013). However, it did not actually affect organizational priorities or processes.

Temporal bracketing analysis. After coding the actions performed by the Wises, we ordered them chronologically and decomposed them into three distinct phases, each characterized by internal

Table 4. Actions deployed by Red.

Phase	Substantive actions			Symbolic actions		
	Type of action	Objective	Associated logic	Type of action	Objective	Associated logic
First phase (2004–2005)	Acquisition of headquarters	Increase and diversify productivity	Commercial			
	New production manager	Introduce production competencies and hierarchical control	Commercial			
	Reorganization of production process	Increase production efficiency	Commercial			
	Acquisition of machinery	Increase and diversify production	Commercial			
Second phase (2005–2008)	Procedures to deal with customers and partners	Increase customer orientation	Commercial	Visits to headquarters	Decoupled symbolic to challenge idea of unreliable market player	Commercial
				Certificate of quality	Decoupled symbolic to convey the image of production efficiency	Commercial
	New control system	Control production costs	Commercial	New president appointed	Reinforcing symbolic action to show hierarchical control	Commercial
	New production office	Increase production efficiency	Commercial	Publicizing new managerial appointments	Reinforcing symbolic action to show market orientation	Commercial
	New production line	Diversify production	Commercial	Show social network	Symbolic reinforcing centrality in social sector	Social

(Continued)

Table 4. (Continued)

Phase	Substantive actions			Symbolic actions		
	Type of action	Objective	Associated logic	Type of action	Objective	Associated logic
Third phase (2008–2010)				Communication of market performance	Reinforcing symbolic action to show market achievements	Commercial
				Show marginalized employees	Reinforcing symbolic to show social mission orientation	Social
				Advertising management control system	Reinforcing symbolic to show cost control	Commercial
				Presentation of social report	Reinforcing symbolic action to social mission orientation	Social
				Commercial advertising	Reinforcing symbolic action to show market performance	Commercial
				Show financial report	Reinforcing symbolic action to show market achievements	Commercial

Table 5. Actions deployed by Blue.

Phase	Substantive actions			Symbolic actions		
	Type of action	Objective	Associated logic	Type of action	Objective	Associated logic
First phase (2004–2005)	New technical director	Increase hierarchical control	Commercial			
	Management control system	Control production costs	Commercial			
	Organizational restructuring	Increase production efficiency	Commercial			
	New production line	Diversify production	Commercial	Conference to show social achievements	Reinforcing symbolic to show social mission orientation	Social
Second phase (2005–2008)	Training employees	Increase productivity	Commercial	Communication of social achievements	Reinforcing symbolic to show social achievements	Social
	New technology	Increase productivity	Commercial	Social report	Reinforcing symbolic to show social mission orientation	Social
	Quality certificate	Increase production efficiency	Commercial	Communication social network	Reinforcing symbolic to show centrality in the social sector	Social
	New marketing manager	Increase customer service	Commercial	Show marginalized employees	Reinforcing symbolic to show social mission orientation	Social
	New production procedure	Increase production efficiency	Commercial			
Third phase (2008–2010)				Show management control system	Reinforcing symbolic to show production efficiency	Commercial
				Show quality certificate	Reinforce symbolic to show production efficiency	Commercial
				Conferences to show social achievements	Reinforcing symbolic to show social mission orientation	Social
				Website emphasizing social mission	Symbolic reinforcing social mission orientation	Social
				Show production area manager	Symbolic reinforcing to show hierarchical control	Commercial

consistency in actions and discontinuity at their boundaries, in the effort to make sense of the strategies performed by Red and Blue to cope with their stakeholders. In the process, we noticed that, in the first phase, both Wises performed substantive actions to align, at least partially, with the demands of commercial stakeholders who had withdrawn their support. In the second phase, both Wises combined symbolic and substantive actions, but with different purposes: Red to show its consistent alignment with commercial stakeholder demands, and Blue to motivate its partial misalignment with commercial stakeholder demands with the need to address social stakeholder demands too. In the third and final phase, both Wises deployed symbolic actions to motivate partial misalignment with their capacity to integrate social and commercial objectives. Given its characteristics and evolution, we label the strategy performed by Red and Blue as one of *temporal (mis) alignment*, because both performed substantive actions to align with stakeholder demands, and then performed symbolic actions to either reinforce alignment or motivate misalignment with them. Tables 4 and 5 list the actions we coded.

Analysing our data through the tenets of the temporal bracketing strategy, we also realized that the trigger motivating the Wises to shift from one phase to the next was the need to secure further stakeholder support, and that the different trajectories followed by Red and Blue were due to the mechanisms they used to make sense of stakeholder demands. Red engaged in extensive, recursive engagement with external social and commercial stakeholders, while Blue engaged external stakeholders in such interactions only rarely, basing most of its strategic choices on internal consultations.

Findings

Preamble: Wises' loss of commercial stakeholder support

Both Red and Blue were founded in the early 1990s and, like other Italian social enterprises, could rely on subsidies and out-of-market contracts guaranteed by public bodies during their early years. The change in legislation of the early 2000s described in the previous section exposed Red and Blue to market competition, and obliged them to address commercial stakeholder demands more effectively to maintain financial viability. Neither Wise was in a position to do so:

> The problem was that we were [unprepared] to adapt to the new market demands. In 2003–04 we were more of a 'social workroom' where marginalized workers could be helped, rather than a real enterprise, capable of competing in the market. (Red general director, interviewed in 2009)

> When the law changed, we received extra funds, and we convinced ourselves we could move forward by prioritizing social concerns and achieving financial sustainability from donations or funds. We then understood we were wrong – but it was too late. (Blue general director, interviewed in 2009)

In the early 2000s, commercial stakeholders grew sceptical about the Wises' capacity to align with their demands for hierarchical control and customer orientation, and began to feel that their expectations were being neglected:

> Red was created to help marginalized people – that's fine. But in this market, logistics and time reduction are key factors. [Red] was unable to accomplish these because it was too strongly focused on helping marginalized workers. (supplier of Red, interviewed in 2011)

> From a financial perspective, Blue had always relied mainly on grants from public bodies; now, it interacted with private clients as if they were public bodies. That's why we did not see it [Blue] as a reliable partner. (commercial partner of Blue, interviewed in 2011)

Hence, commercial stakeholders began to reduce their support. During 2004, Red contacted many potential customers and suppliers to collaborate, but to no avail, because it 'was too small, inefficient and disorganized for their needs' (social report, Red, 2004). Similarly, customers and suppliers cancelled contracts with Blue because of its inefficiency (board meeting, Blue, 2005). As a result, both Red and Blue showed an operating loss in 2004 (-€60,000 in the case of Red, and -€50,000 in the case of Blue). To address the situation, between 2004 and 2010 both Red and Blue engaged in a strategy that we call *temporal (mis)alignment*. It is depicted in Figure 1 and described below.

Phase 1 (2004–2005): Substantive alignment with commercial stakeholder demands

Managers at both Red and Blue understood as early as 2004 that commercial stakeholders had withdrawn their support because they felt that their demands for efficiency and product quality were being neglected:

> Market players do not see our organization as a competitive firm. A commercial partner expressed this clearly: they needed a reliable supplier with all the efficiency and reliability of a [for-profit] firm, and we did not look like that. (Red financial report, 2005)

> When contributions ceased [in 2005] we sent a letter to all the suppliers, customers, and investors in our database to ask whether they were available to work with us. Nobody replied. (Blue general director, interviewed in 2009)

Both Wises responded with commercial substantive actions. Between 2004 and 2005 Red acquired 'a larger headquarters and new machinery that were more appropriate to production requirements than previously' (Red social report, 2005). This reaction was based on managers' conviction that Red had to comply substantially with the demands of commercial stakeholders to gain their support: '[In 2004] we thought we should increase efficiency and [improve] customer service. Customers and suppliers [. . .] want to gain some economic advantage by working with us' (Red production manager, interviewed in 2009). Like Red, Blue also responded with some commercial substantive actions in 2004. It restructured its production process and 'implemented a management control system to improve efficiency' (social report, Blue, 2004). The aim was to align substantially with customers' and suppliers' demands for production efficiency and price competition, which Blue's management viewed as customers' priority: 'Customers want high-quality services at low prices, and we should go in this direction: they want an advantage they can touch' (Blue board meeting, 2004).

Despite Red and Blue's commercial substantive actions, by late 2005 customers and suppliers were still struggling to appreciate these Wises' commercial efforts, and associated both with an image of social orientation misaligned with their expectations. Hence, in 2005, commercial stakeholders were still reluctant to support the Wises:

> I remember [in 2004] we bought a new headquarters and new machinery, and we invested to improve our production efficiency. . . Some sector players acknowledged our efforts, but still: [a year later] the headquarters was empty and we did not know how to fill it. (Red general director, interviewed in 2009)

> Last year we lost an important private client, and we have been unable to replace them with new customers. The survival of the venture is at risk. (Blue board meeting, 2005)
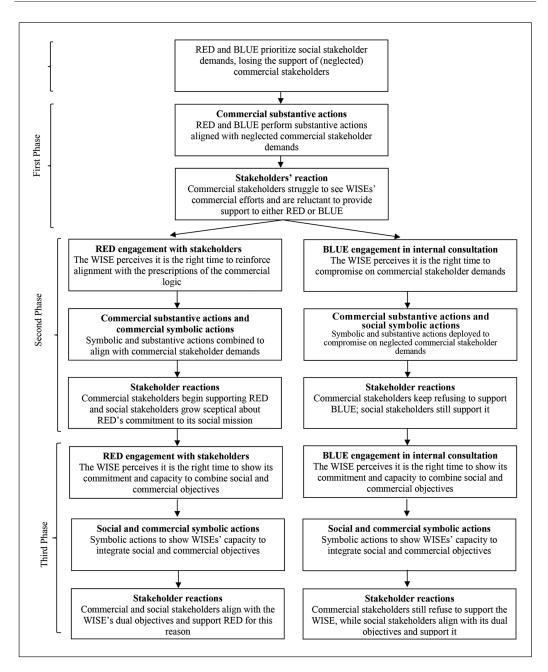
Figure 1. The processes followed by Red and Blue.

This lack of commercial stakeholder support was the turning point, persuading both Red and Blue's managers of the need to do something different to address stakeholder demands more effectively. It was at this stage that their temporal (mis)alignment strategies diverged.

Phase 2 (2005–2008): Combination of symbolic and substantive actions

In late 2005, both Wises had to decide how to secure commercial stakeholder support, given the inadequacy of previously performed commercial substantive actions. Red's management addressed the issue through stakeholder engagement, hoping that doing so would help it make better sense of stakeholder demands and redefine its strategy accordingly. All Red's managers engaged with stakeholders: some contacted social stakeholders, while others reached out to commercial stakeholders:

> That was a dramatic year for us: we needed to become a more market-oriented organization, but we did not know exactly how. I remember several meetings and phone calls with our commercial partners: I discussed the situation with some historical customers, and production workers contacted our suppliers. (Red general director, interviewed in 2010)

In contrast, Blue's management made sense of stakeholder demands mainly through internal consultation. 'The only one who was used to speaking with customers and suppliers was the vice-president; sometimes the president too' (sector expert, interviewed in 2009).

Engaging with external stakeholders enabled Red's management to obtain precise information about their expectations, in both the short and long term, and also in view of the Wise's past behaviours. In 2005, this led Red to the realization that both commercial and, unexpectedly, social stakeholders were looking for clearer signals of market orientation from Red, although for different reasons. Red's interactions with customers and suppliers made it clear that they needed reassurance that Red was indeed a reliable commercial partner, given its past prioritization of social issues at the expense of commercial stakeholder demands. Social services and other non-profit organizations were already convinced of the Wise's longstanding capacity to address their demands of employing marginalized workers. However, they also looked for a successful market presence as a sign that Red would still be able to meet those demands in the long run, as it had done in the past: 'A social psychologist said that [a stronger focus on market performance] was necessary to stay on the market and keep integrating marginalized workers' (Red social report, 2006).

Such feedback enabled Red's managers to meaningfully link their past actions with present and future stakeholder expectations, thus making sense of them as paradoxical. As detailed below, they began to see how satisfying stakeholder demands that could appear simply contradictory from a short-term perspective were actually all necessary for success when seen over the longer term: '[In 2006,] pressures to become more efficient came primarily from the market and our commercial partners, but social services also saw that we needed to change to stick to our mission' (Red social area manager, interviewed in 2010).

This new paradoxical understanding of stakeholder demands convinced Red's managers, as early as 2005, that it was the appropriate time to reinforce previously performed commercial substantive actions through more visible signals of market orientation:

> We had always been very careful to highlight our social orientation. Then, our main commercial partner told us we were becoming something different and we should present ourselves with a different image . . . It became clear . . . we had to change. (Red general director, interviewed in 2009)

Meanwhile, internal consultations at Blue were reinforcing managers' sense that social and commercial stakeholder demands were incompatible. Indeed, they focused exclusively on immediate stakeholder demands, thus highlighting their contradictions without recognizing any potential common ground:

> Market competition has increased dramatically and now we can't apply the same mark-up we were used to, but we still have to sustain more costs than traditional for-profit organizations due to the characteristics of our workers. (Blue social report, 2005)

This short-term orientation led Blue's managers to a shared concern that an emphasis on market orientation and production efficiency could draw the Wise away from its social commitment, thus betraying social stakeholders' expectations. This fear convinced Blue of the need to seek a compromise on its commercial efforts:

> Market pressures can really jeopardize our capacity to create social value. I hope we will still be able to maintain our social commitment in this new context we are dealing with. (Blue general director, introduction to the Wise's newsletter, 2005)

Red and Blue's contrasting interpretations of stakeholder demands – as paradoxical vs. incompatible – led the two Wises to perform different combinations of actions to manage them in their temporal (mis)aligment strategies. Between 2006 and 2008, Red signalled market orientation through commercial symbolic actions. In contrast, Blue combined commercial substantive actions with social symbolic signals in the effort to display its divergence from commercial stakeholder pressures, and justify that course with the need to address social stakeholder demands at the same time.

For its part, Red combined commercial substantive and symbolic actions in two ways. First, it deployed decoupled commercial symbolic actions and then gave them credibility through commercial substantive actions. For instance, in early 2006, Red organized visits to the new headquarters for both social and commercial stakeholders, with the aim of positioning Red as a professional, well-organized enterprise, newly capable of addressing market needs – even though at that time the Wise still had work to do in that regard:

> With these visits [in 2006], we wanted to send a message to the 'for-profit world': 'We are here; we can do what you ask of us.' Now, we weren't really ready, but we had found that as soon as you say you are a social enterprise, you are already fighting with a negative perception. We needed to present ourselves as a real enterprise. (Red general director, interviewed in 2010)

Red soon coupled these decoupled commercial symbolic actions with more substantive actions. For instance, in 2007, it felt the time was right to adopt and implement a new management control system.

Second, Red launched commercial substantive actions and then gave them visibility through reinforcing commercial symbolic actions. For instance, in 2007 Red established a 'production office' that was meant to increase its production efficiency and hierarchical control. Red soon combined this substantive action with reinforcing symbolic actions, such as publicizing the new structure of the organization.

In the meantime, Blue followed a different trajectory. In 2006 it performed commercial substantive actions: 'We have retrained our staff to increase the quality of the sanitation and cleaning service. We have also invested in new high-technology sectors [in renewable energy]' (letter to board members, Blue, 2006). However, Blue tempered these acts with symbolic actions signalling social orientation to reinforce the perception that, despite its new commercial efforts, Blue was still pursuing social objectives as well. The purpose was to motivate partial misalignment with commercial stakeholder demands with the need to align with social stakeholder demands at the same time – two aims that Blue's management saw as highly incompatible:

> I invited commercial partners [to a 2007 conference] because it is important that they see what we do with marginalized workers, because this social commitment inevitably creates challenges to our capacity to integrate marginalized workers [into the workplace]. (Blue general director, interviewed in 2010)

The different combinations of symbolic and substantive actions performed by Red and Blue had different impacts on their commercial and social stakeholders. In the case of Red, the combination of commercial substantive and commercial symbolic actions caused the Wise to be perceived by both groups as 'a well-organized enterprise, with new spaces, and a management control system' (customer of Red, interviewed in 2010). This image benefited Red, which in 2008 signed contracts with important corporations that boosted its revenue to more than €1.2 million (compared to around €1.1 million in both 2006 and 2007).

In Blue's case, both social and commercial stakeholders saw its social symbolic actions and assessed them antithetically. The first group evaluated social symbolic actions positively, as in line with their own demands. Conversely, commercial stakeholders assessed Blue's image of social orientation more negatively, perceiving it as continuing to neglect their demands:

> Their problem is that they [Blue] use the social dimension as the only marketing tool, but . . . now a customer wants to see commercial performance; social orientation 'scares' them. (member of a public agency partner of Blue, interviewed in 2010)

This negative assessment further threatened commercial stakeholder support for Blue (although the revenues were sustained by an increase in the pricing of the services to the remaining customers, which were public bodies):

> Despite our long heritage in this geographical area, over the last few years we have missed out on partnerships with many of our potential partners. Between 2006 and 2008 we lost 26% of our customers. (Blue, report to the board of directors, 2008)

Phase 3 (2008–2010): Social and commercial symbolic actions

In 2008, Red and Blue's temporal (mis)alignment strategies converged once more, as both began to combine social symbolic actions and commercial symbolic actions. However, they did so for different reasons and, given their past behaviours, with different results. On the one hand, Red, which had maintained engagement with its stakeholders, received feedback from customers and suppliers suggesting that they acknowledged and supported Red's market orientation – not only because it enabled the Wise to address their demands of production efficiency and cost reduction, but also, paradoxically, because in the long term it could reinforce its social mission: 'Talking with suppliers or clients, it is not uncommon that they say, "I'm impressed you can stay in the market while employing these [marginalized] people. I wouldn't be able to"' (Red production area manager, interviewed in 2010).

Engagement with social stakeholders, however, revealed their mixed feelings about Red's commercial efforts. They appreciated the Wise's efforts over the previous few years to improve market performance, recognizing them as necessary to thrive. Yet, they also told Red that they were beginning to fear that its commercial orientation might crowd out its social mission in the long run:

> I am wondering if the [Red] team has maintained its shared vision and social commitment now that Red is in a more product-oriented structure and is more exposed to commercial pressures. (social counsellor interview for Red social report, 2007)

In sum, stakeholder engagement signalled that while past commercial efforts had addressed commercial stakeholders' concerns, they had also sown scepticism among social stakeholders. The latter were afraid that, in the long run, the Wise could lose its social orientation and focus exclusively on commercial efforts, as it had in the recent past. Thanks to stakeholder engagement, Red's management realized that the time had come to showcase the Wise's commitment to combining social and commercial objectives more explicitly to all stakeholders:

> After our efforts to increase our managerial capabilities, [in 2008] the warehouse was full; we had suppliers and customers. It was clear that we were seen as a reliable partner . . . We understood it was time to counterbalance our image: a social enterprise can only succeed if it is capable of integrating the social and commercial domains. (Red general director, interviewed in 2010)

The risk of losing previously supportive social stakeholders was the turning point, persuading Red to launch reinforcing commercial and social symbolic actions in combination as soon as early 2009. For instance, it invited both social and commercial partners to visit its headquarters during working hours to show them how marginalized workers were integrated into the production process, thereby reinforcing the message that production activities were meant to provide job opportunities to those who might otherwise struggle:

> We always want to show our production process to our suppliers and customers, so that they understand that we work with people with disabilities: I know it impresses them. (Red production area manager, interviewed in 2012)

> We try to show what we do and where we work to social services and other non-profit organizations: it helps to clarify the kind of training we can guarantee. (Red social area manager, interviewed in 2011)

During this period, Red also deployed symbolic actions intended to universally reinforce and highlight its tangible commercial efforts. In 2010, Red's chief financial officer began communicating the adoption of a management control system to commercial partners, because 'when you start talking about "net margins", even without deploying numbers, people perceive you as being professional'. Red's managers also targeted social stakeholders with reinforcing commercial symbolic actions to demonstrate that 'Red is a real workplace where marginalized workers can acquire the skills they need to be reintegrated in society' (Red social area manager, interviewed in 2010).

Like Red, in 2009–10 Blue also decided to combine social and commercial symbolic actions – but for different reasons. Aware that they had to change strategy due to commercial stakeholders' discontent, Blue's managers analysed the situation over the course of several internal meetings, and came to share the view that they needed to signal the Wise's market skills and capabilities, given that showing social commitment had failed to secure commercial stakeholders' support:

> Over the last few years, we chose to rely on our social commitment to convince commercial partners to work with us. But unfortunately we have discovered that nobody [within the commercial domain] is interested in it. (Blue general director, interviewed in 2011)

This awareness was the turning point, persuading Blue to start to perform some commercial symbolic actions. For instance, between 2009 and 2010, it communicated the introduction of a more detailed management control system and highlighted the appointment of three new production area managers as commercial symbolic actions meant to reinforce its image as a professional organization. However, Blue's managers continued to perceive stakeholder demands as incompatible in the

short term, because they feared that a market-oriented image could displease social stakeholders. Between 2009 and 2010, Blue highlighted its social orientation in all its external communications – particularly its website and newsletter. In this way, it aimed at reassuring social stakeholders 'about [the Wise's] consistent social orientation *despite* increased market pressures' (Blue social area manager, interviewed in 2011; italics added) and to compromise on commercial stakeholder demands by showing them 'they are not working with a traditional for-profit organization' (Blue production manager, interviewed in 2012).

The similar symbolic actions performed by Red and Blue within their temporal (mis)alignment strategies obtained divergent results because they were based on different premises and impacts of previously performed actions. The timing of Red's symbolic actions proved effective with both commercial and social stakeholders. Reassured over Red's commercial orientation due to its previously enacted commercial substantive and symbolic actions, suppliers and customers were now ready to see, and positively assess, the signals of misalignment that motivated Red's divergence from their demands with its capacity and commitment to combine social and commercial objectives:

> What impresses me now is that they [Red] are so efficient and customer-oriented while employing people with disabilities. They are very transparent on this point. I think this is a strategy: they want a customer to know this. And when you discover something like this, you appreciate them even more. (supplier of Red, interviewed in 2011)

Social stakeholders reacted positively as well. After the past messages of misalignment, they were now open to seeing some symbolic actions reassuring them that the Wise's commercial efforts were instrumental to the social mission:

> Red has had to transform to adapt to changed market conditions, but it seems to me they have never lost their social commitment. They have adapted their organizational structure to new market conditions, but with the intention of sustaining their mission of training marginalized workers. (social worker of an employment office partner of Red, interviewed in 2011)

Stakeholders' positive evaluation of Red's carefully timed actions enabled this Wise to secure their support. Between 2009 and 2010, commercial stakeholders signed new contracts with Red that guaranteed stable revenues for the next three years (financial report, 2009). Red could still rely on the stable support of social stakeholders: social services and non-profit organizations were eager to work with the Wise – which, as a result, was able to train and counsel 41 marginalized people (compared with 38 in 2004).

In the case of Blue, reinforcing social and reinforcing commercial symbolic actions were well received by social stakeholders, who proved impressed 'because of the Wise's market orientation but without losing social commitment' (director of a non-profit organization partner of Blue, interviewed in 2012). However, Blue failed to guarantee the endorsement and support of commercial stakeholders, and instead triggered their scepticism with the bad timing of its actions showcasing non-conformance with their demands. Indeed, commercial stakeholders received messages professing social commitment – and therefore divergence from their original demands – even as they were still seeking clear signals of commercial orientation due to Blue's actions in the previous phase: 'Blue is still too tied to the image of a non-profit organization. . . When it interacts with commercial partners, it suffers because of this' (sector expert of Blue, interviewed in 2012). Commercial stakeholders' scepticism over Blue's capacity to address their demands caused them to withdraw their support even further:

In 2010, cleaning services also suffered due to economic tensions caused by the loss of some important job opportunities and traditional clients, who perceived our marginalized workers as ineffective and causing operational problems. (Blue social report, 2010)

At the end of 2010, internal confrontations convinced Blue's management that it was now probably too late to regain commercial stakeholders' support, so they eventually considered scaling back the Wise's market presence and turning to a charity model to achieve financial viability.

Discussion and Contribution to the Literature

A key challenge for hybrid organizations is to manage the demands of stakeholders adhering to different logics (Pache & Santos, 2013). Our study sheds light on the role of time, in both its objective and subjective dimensions, the importance of symbolic and substantive actions in addressing this challenge, and stakeholder engagement as the key mechanism to unleash the paradoxical perspective needed for long-term success.

Adopting an objective view of time, and therefore focusing on the temporality of the actions performed by Red and Blue, we suggest that hybrid organizations can manage divergent stakeholder demands by sequencing symbolic and substantive actions in the context of a strategy that we label *temporal (mis)alignment*. Within this strategy, a hybrid works to substantially address the demands exerted by different stakeholders, and deploys symbolic actions in sequence, either to reinforce alignment or to motivate eventual misalignment. In this way, we advance previous research that has begun to acknowledge that symbolic and substantive actions can be combined over time (Raaijmakers et al., 2015) to address stakeholder demands (Gumusey et al., 2019; Minzinneck & Besharov, 2018). Most of this research has focused on situations in which external stakeholders trust that the organization will ultimately address their demands (Minzinneck & Besharov, 2018). Our findings highlight a strategy – temporal (mis)alignment – that works, specifically, when some stakeholders are instead sceptical about a hybrid organization's commitment to addressing their demands and feel that they are being neglected (Greenwood et al., 2011). In this strategy, a hybrid combines substantive actions to incorporate and address, at least partially, the demands of different stakeholders contextually. Here, symbolic actions are deployed either to reinforce substantive actions of alignment or to signal misalignment to motivate the need to combine divergent stakeholder demands. The sequence in which the symbolic actions are deployed is important. With neglected and sceptical stakeholders, symbolic actions reinforcing alignment are deployed first, and only later combined with symbolic actions motivating misalignment with the opportunity to recombine divergent stakeholder demands. With supportive stakeholders, who already trust an organization, a hybrid has more room to showcase misalignment from their expectations first – but must still be ready to show, later on, its commitment to align with their demands in order to retain their endorsement.

While sequencing is key to explain the structure of a temporal (mis)alignment strategy, the other two time-related variables – timing and past actions – shape its effectiveness and, specifically, the opportunity for a Wise to show misalignment from stakeholder demands without being penalized. The comparison of Red and Blue shows that taken with the right timing – when stakeholders are already reassured about an organization's commitment to addressing their demands by virtue of its past actions – symbolic actions misaligned with stakeholders' institutional demands are positively received by stakeholders, and can boost the scope for further deviation from institutional constraints. However, when taken with the wrong timing – when stakeholders are looking for signals of commitment to addressing their demands – symbolic actions of misalignment may polarize stakeholders' expectations and exacerbate their dissatisfaction. The appropriateness of the timing

of an action is influenced by the impact on stakeholders of previously performed actions. In assessing an action, stakeholders are influenced by both its inherent characteristics and the characteristics of previously received actions. Hence, the opportunity to depart from institutional demands can be alternatively enabled or constrained by a hybrid's past actions and stakeholder reactions.

In sum, comparing the cases of Red and Blue in view of the objective dimension of time, we suggest that hybrids can manage the sequence and timing of symbolic and substantive actions strategically to address the 'politician's dilemma' – that is, how to secure stakeholders' support while partially diverging from their demands (Kraatz & Block, 2008). In this way, we complement previous literature suggesting that hybrids can leverage multiple logics' flexibility and reflexivity (Jay, 2013) to combine symbolic and substantive actions to selectively comply with stakeholder expectations (Pache & Santos, 2013), convey ambiguous messages that different audiences can hear and understand differently (Gumusey et al., 2019), or oscillate between multiple stakeholder demands (Minzinneck & Besharov, 2018). We propose that hybrids can leverage the temporality of the actions they perform, rather than play strategically with the flexibility engendered by logics' multiplicity.

Our empirical evidence also builds on the subjective view of time (Reinecke & Ansari, 2015) to suggest how managers' capacity to make temporal connections – or 'temporal work' (Kaplan & Orlikowski, 2013) – helps them deploy actions with the appropriate sequence and timing in the context of a temporal (mis)alignment strategy.

Applying a paradox approach to the study of hybrid organizations (Jay, 2013), scholars have advanced that hybrids' sustainability largely depends upon the capacity of their management to recognize stakeholder demands and their motivating logics as paradoxical: contradictory and interrelated (Smith & Besharov, 2019). In this sense, demands that seem to be simply contradictory when seen from a short-term perspective might instead reveal their synergies when envisioned from a long-term perspective (Sharma & Bansal, 2017). Hence, managers need to perform some temporal work to 'make links in time, looking back to understand the present through retrospective sense-making and imagining paths' in the future (Kaplan & Orlikowski, 2013, p. 966).

Our empirical evidence shows that stakeholder engagement helps perform this paradoxical, temporal work because it helps organizations collect information about stakeholders' evolving demands. In this way, we build on and advance previous research suggesting that stakeholder engagement can help manage and realign divergent stakeholder demands by making better sense of them and their evolution (Crilly et al., 2012). Through temporal work, time becomes both subject to interpretation – depending on the logics that individuals use to make sense of it (Reinecke & Ansari, 2015) – and also can be used to understand the relationship between logics and associated stakeholder demands.

This temporal work has important strategic implications. When a hybrid is capable of understanding stakeholder demands as paradoxical through the meaningful connections between past, present and future, it can more effectively combine symbolic and substantive actions over time, and time its actions in order to highlight the interconnections between stakeholder demands and minimize their contradictions. In this way, a hybrid can adapt to different stakeholder demands while at the same time maintaining coherence, thus achieving the kind of adaptation and stability that is required to sustain its hybrid status.

Conclusions

Our findings support the notion that stakeholder engagement can help hybrid organizations' managers to recognize the long-term interconnections between institutional demands that appear to be simply incompatible when analysed from a short-term perspective. This paradoxical awareness

helps hybrids manage the sequence of symbolic and substantive actions in a temporal (mis)alignment strategy, taking each action at the proper time to secure stakeholder support. In this way, our work opens up several avenues for future research.

First, in our work, the neglected stakeholders are those adhering to the commercial logic. Further research should investigate whether hybrids would manage the timing and sequencing of their actions differently if neglected stakeholders adhered to a different logic. Second, future research could also investigate to what extent the temporal (mis)alignment strategy we reveal applies to organizations that are not prototypical hybrids like social enterprises, but still face divergent demands from stakeholders adhering to different logics – as in the case of socially responsible organizations (Slawinski & Bansal, 2012) and family firms (Greenwood, Diaz, Xiao, & Cespedes, 2010). Third, our work shows how the impact of a hybrid organization's past actions on stakeholders influences the effectiveness of present actions, also in view of their timing. In this way, it suggests a kind of path-dependent (Garud, Kumaraswamy, & Karnoe, 2010; Sydow, Schreyogg, & Koch, 2009) explanation for the effectiveness of hybrid organizations' responses to stakeholder demands. We leave it to further research to delve deeper into the specific mechanisms explaining how path dependency can influence the interaction between hybrids and their stakeholders. Finally, although our findings show that stakeholder engagement is better than internal debate at highlighting the interconnections between logics, they do not necessarily imply that this is always the case. Future research could study under which conditions internal confrontation helps or hinders the development of a paradoxical understanding of stakeholder demands.

In conclusion, when hybrid organizations can gain support from multiple stakeholders, they represent a ray of hope for solutions to major societal challenges such as poverty, inequality and environmental degradation (Jay, 2013; Mair et al., 2015). As our paper demonstrates, managing these challenges and securing divergent stakeholder support requires the implementation of complex and long-term strategies, based on the capacity to recognize the temporal interconnections between stakeholder demands and to combine symbolic and substantive actions appropriately over time. Shedding light on how to manage this complexity may not only contribute to a better understanding of hybrid organizations' functioning but, more broadly, help to advance our knowledge of their role in creating more sustainable and inclusive societies.

Note

1. In Appendix 1, we provide empirical evidence to show how the two Wises examined in this study incorporated elements of the social welfare and commercial logics in their core features.

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Appendix 1: Characteristics of the Social Welfare and Commercial Logics as Incorporated by Red and Blue

Table 6. Social welfare logic.

Characteristics	Description and quotes
Goal	Address social issues as from the organization's mission – which, in the case of Wises, is about integrating marginalized workers
	Red works to address social issues as from the organization's mission, which is the integration of marginalized workers. (first article of Red's charter)
	The value added produced by our social enterprise is the reintegration of marginalized workers and we achieve this with our work. (Blue general director, interviewed in 2009)
Governance	Democratic control
	One of the characteristics of our enterprises is that we have never made a decision without first consulting everybody and listening to all the perspectives. (Red social area manager, interviewed in 2010).
	We meet on a weekly basis to decide our strategies and priorities. (Blue social area manager, interviewed in 2010)
Relevant stakeholders	Public bodies, donors, non-profit organizations, social services and employment offices
	For the achievement of our social mission and the successful reintegration of marginalized workers . . . we have always worked with social services and local employment offices. (Blue social area manager, interviewed in 2010)
	The cooperative works in partnership and collaboration with other social enterprises, local associations and consortia of non-profit organizations. (Blue social report, 2006)
Stakeholder demands	Fulfilment of social mission; beneficiaries' wellbeing and personal development
	What we ask of Red is to provide job opportunities to marginalized people. They are a reference point in this regard. (head of a public agency, interviewed in 2011)
	We have a certification of quality that proves to social services and public bodies the quality of our work with marginalized people and that we follow a procedure to take care of them. (Blue general director, 2009)
Source of legitimacy	Contribution to addressing societal issues
	Just have a look at Red's results in terms of the quality of the work integration processes they carry out, and at their numbers: all you can do is say they are able to do what they were born for. (expert in Red's sector, interviewed in 2009)
	Blue is a very good example of social impact; they have been very effective in reintegrating highly marginalized people. (non-profit manager partner of Blue, 2011)

Table 7. Commercial Logic.

Characteristics	Description and quotes
Goal	Be profitable by competing in the marketplace We have never relied on donations to stay afloat but on market transactions . . . this is in our DNA. (Red general director, interviewed in 2009) In the past we could rely on donations and out-of-market contracts with public bodies to be financially sustainable. Now [after the change in legislation] things have changed, and we are 100% exposed to market competition. (Blue general director, interviewed in 2009)
Governance	Hierarchical control To address market pressures we had to assign responsibilities and establish hierarchies, so that now we have a production area manager, a manager of the financial area and a manager of the social area. (Red general director, interviewed in 2010) Each production area has a manager responsible for it, and they report directly to the general director. (Blue general director, interviewed in 2011)
Relevant stakeholders	Customers, suppliers, private investors and other commercial partners Our customers and suppliers have always been multinational companies that are located in the region and work in the assembly sector. (Red social report, 2006) Our customers are mainly public bodies, but also some private partners. All of them are looking for production efficiency and quality. (Blue general director, interviewed in 2011)
Stakeholder demands	Price competition, customer satisfaction and production efficiency Our partnership with for-profit organizations is based exclusively on market logic. . . Nobody is particularly concerned that we work in the social sector. If we, as a social enterprise, do not provide services as requested, customers shut down the partnership immediately. (Red production supervisor, interviewed in 2009) We have more than 10 years' experience in the cleaning sector, and this enables us to guarantee to our customers the highest standards of professionalism and efficiency. (Blue social report, 2006)
Source of legitimacy	Capacity to compete in the market What impresses me is that now they have all the characteristics of a 'real' assembly firm that a partner can trust. (supplier of Red, interviewed in 2011) Nowadays the most important thing is to be as fast and efficient as we can in delivering a service. But at the same time, the service has to be perfect. This is what everybody is looking for. (Blue production manager, interviewed in 2011)