

## Book Review

**David Billis and Colin Rochester (Eds).** *Handbook on Hybrid Organisations*. Cheltenham, UK; Northampton, MA: Edward Elgar Publishing, 2020. 576 pp. ISBN: 978-1-78536-610-9. \$65 ebook.

Reviewed by **Julie Langer**, Department of Public Administration, Northern Illinois University, School of Public and Global Affairs, DeKalb, IL, USA, E-mail: [jlanger@niu.edu](mailto:jlanger@niu.edu)

<https://doi.org/10.1515/npf-2021-0005>

In a democracy, institutions are strong. Institutions shape our culture and their identities endure over time (March and Olsen 1989). However, as current events in the United States have shown, individuals, whether organized or acting alone, can rival in strength even the sturdiest of institutional foundations (LePore 2021). This relatively new phenomenon of individual empowerment is partially the result of cultural changes that champion the scientization, education and rationalization of society (Bromley and Meyer 2015). As empowered individuals seek change within the longstanding institutions of the market, state and civil society, the proliferation and hybridization of formal organization is inevitable. As Billis and Rochester point out in the *Handbook on Hybrid Organizations*, we find ourselves in a fascinating period of organization studies, “during which the rise of hybrid organizations is causing us to reconsider the way we understand the world of organizations,” (p. 1). While this might be true, in its entirety, this edited volume may really be helping us to reconsider not just the world of organizations, but the role of organizations in a new world.

Historically, formal social organizations existed only to the extent they were created and legitimated by sovereign actors, namely nation states and religious bodies (Bromley and Meyer 2015). Even some of the earliest Hybrid Organizations, such as the Dutch East India company existed only because the States General allowed it to operate as a monopoly with suzerain rights (Chapter 11). Yet, the decline of bureaucratic prestige over a century, in conjunction with a rise in scientization and market authority, have paved the way for a rise in autonomous organizations led by empowered individuals. While not all new formal organizations are hybrids, as Billis and Rochester point out in Chapter 1, the use of hybrid organizational forms has increased as wicked problems endure and empowered individuals look for new ways to ameliorate the issues that traditional public, private and nonprofit organizations have been unable to.

While defined from slightly different perspectives over the course of the book, in general, hybrid organizations can be understood as, “those organizations that retain their prime adherence to the principles of one of the three sectors but have

absorbed some of the principles of one or both of the other sectors,” (Chapter 1, p. 3). As is evidenced throughout the volume, hybrid principles are vast, and may include elements such as institutional logics, (e.g., hierarchical and market) governing conventions (e.g., shared property rights, contractual arrangements) or identities (e.g., Weberian bureaucracy versus reformed bureaucracy, service-oriented nonprofit vs. advocacy-oriented nonprofits). In fact, many chapters in this book take Denis et al.’s (2015) multiple perspective approach to hybridity, which affirms the need to include diverse scholarly perspectives and dimensions in its study (see Chapter 5 as a good example). However, in Chapter 24, Billis identifies the most important hybrid principle as “decision making accountable ownership,” explicating its importance for both prime accountability and sector adherence. In other words, in the understanding of hybridity, the actors making the decisions matter just as much as the sector (i.e., institution) they are a part of.

The story that is emerging in the literature on hybrid organizations, and in this edited volume in particular, is one in which actor agency and institutional control intermingle in the unfolding tale of hybrid organizations. While unique, this narrative does not deviate completely from early studies of sector distinctions based on ownership and funding (Wamsley and Zald 1973), prime beneficiaries (Blau and Scott 2003) organizational characteristics (Dahl and Lindblom 1953) or authority structures (Bozeman 1987; Perry and Rainey 1988). Rather, it moves the discussion forward by recognizing the place of increasingly empowered individuals and their organizations in what has historically been seen as an institutionally defined world. This edited volume organizes the discussion of hybridity by sectors with Part I highlighting these concepts against the backdrop of the public sector, Part II the private sector and Part III the third (i.e., nonprofit) sector. This review will follow the same format.

While the use of hybrid organizations is increasing in the public sector, and the language used to describe them is changing, government organizations have long balanced competing values and utilized alternative forms of service delivery in pursuit of the public interest (Hood 1991; Rosenbloom 1983). However, today, the language of hybridity has become a common feature in the public sector globally, largely due to the influence of managerial reforms such as New Public Management. Consequently, hybrid forms such as public private partnerships, collaborative governance arrangements, and government owned enterprises often center on the combination of both social and market-oriented logics and practices. In Chapter 5, Boardman and Moore highlight the use of the mixed enterprise, a longstanding hybrid form defined by shared authority, influence and property rights between the public and private sectors. They find that while it is possible for mixed enterprises to produce both economic and social benefits, as was intended by managerial reforms such as NPM, such an outcome is rare. Rather, they caution

against the use, citing traditional public sector practices, such as proper regulation and taxation of private enterprise as a better way to improve social welfare.

Similarly, in Chapter 8, Thomasson explores the development of Sweden's corporate model of government, or the use of publicly owned corporations to provide public services. While these hybrid forms were intended to balance the influence of both the market and state in the provision of public services, managerial reforms have tipped the scales in favor of the market and issues such as corruption, unfair competition and lack of transparency have plagued the model. Interestingly, these and other authors in Part I view the public realm as one in which hybridity may create more unintended harm than it will do good, at least when market and state principles are involved. Yet, the intermingling of traditional public sector principles with those of the market is also viewed as somewhat inevitable, dictated by institutional forces and materialized through government reforms. So, what is to be done? Two main paths are offered: The first, as is championed in both Chapters 8 and 10 focuses on bottom-up change that comes through the empowerment of individuals within public organizations to recognize and balance hybrid logics and their associated practices. The other, as Thomasson (Chapter 8) highlights, is legislative, and focuses on passing administrative reforms that require the increased emphasis of traditional public and social-oriented values in government operations. Given the lower levels of actor autonomy in the public sector historically, the latter course of action seems quite promising. Afterall, since new policies and reforms centered on the principles of NPM were created by government and institutionalized across all sectors, is not it possible to create a counterbalance? A form of government hybrid that champions the prominence of democratic public values while also recognizing the economic ones that have already been embedded? Such changes have occurred in the legitimization of for-profits with a dedication to social norms, why not for governments dedicated to them, as was seen in the Swedish case? Perhaps it is assumed that government organizations still skew this way? Polls related to trust in government institutions say otherwise (PEW 2019).

While hybridity has posed some unique difficulties in the public sector, as presented in Part II of Billis and Rochester's edited volume, its prospects in the private sector, while not without challenge, are portrayed as largely optimistic. This optimism centers primarily on the potential of the hybrid social enterprise form. Drawing from the definition of social enterprises laid out by Battilana et al. (2015, p. 3), Child (Chapter 12) defines social enterprises as hybrids that, "pursue a social mission while engaging in commercial activities to sustain their operations." Often, the social enterprise is seen as being able to attend to social ills in a more sustainable fashion, while also to nudging self-interested profit maximizing firms towards a reimagined role in society. In Chapter 15, Kennedy, Beaton and Haigh lay

out a practical strategy to help social enterprises and traditional for-profit firms realize this theoretical optimism through attention to tangible issues such as transparency, board structure and stakeholder interests. Further, they advocate for the continued development and adoption of new legal forms of hybrid organization, citing their ability to protect firms with both social and economic goals and enhance their impact.

Cultural and institutional changes such as the empowerment of the individual and the ever-growing prominence of market authority have increasingly legitimated social enterprise as a form of organization well suited to address social problems through rational, controllable, market-based mechanisms. While these organizations offer new pathways towards social good, as Child effectively points out in Chapter 12, many serious concerns and questions remain about whether amoral business forms can produce moral ends or whether imbuing social exchanges with monetary value simply corrupts “meaningful, relational social life,” (p. 215). In the fair-trade industry, the social enterprise hybrid is seen as engendering the former, creating a morally responsible way to do business and even “glorify god” (Child et al. 2015, p. 842, 2016, p. 219). Such a finding would seem to bolster Kennedy et al’s., proposition that the for-profit social enterprise may be an effective vehicle for nudging traditional organizations towards a pre-Friedman era business model. Taken together, one may then conclude that in the private sector, empowered actors, through the creation of hybrid organizational forms, have more freedom than public sector actors to catalyze institutional change. This could certainly be an indication of the cultural changes discussed earlier and the influence that both empowered actors and hybrid organizations have today in relationship to longstanding institutions.

Hybridity in the Third Sector is tackled in Part III of Billis and Rochester’s edited volume. The third sector has seen exponential growth not only in formal organization within the last few decades, but hybrid formal organization (Billis 2010; Bromley and Meyer 2015). However, if there is one point that many of the cases presented in Part III make, it is that like in the public sector, institutional demands still have a determinant impact on the structure and operations of both hybrid and traditional, third sector organizations. In the Russian Federation Ljubowinkow and Crotty (Chapter 19) highlight the role that state coercion has played in suppressing the actions of nonprofits as advocates and social organizers. Market competition, rather than state coercion, is the institutional force of reckoning for hybrid housing organizations in the Australian third sector (Chapter 21); and, it is a lack of both market and public recognition that withholds legitimacy from hybrid organizations in the Czech Republic (Chapter 20). Yet, unlike in the public sector, aligning with institutions, but reframing what is acceptable within them is a major pathway that Huybrechts et al. (Chapter 23) see for the growth of

hybrid nonprofits globally. Ljubowinkow and Crotty (Chapter 19) concern and suggest that if nonprofits in the Russian Federation align with the government and adopt hybrid identities as agents of the state, over time these actors will gain legitimacy and become empowered to create change from within.

In the last section of the volume, the boundaries of the three traditional sectors are discussed. Importantly, in this section Billis (Chapter 24) presents what he terms a “New Organizational Reality” (NOR). The NOR reframes our conceptualization of the traditional sectors (public, private, third) by focusing instead the notion of authentic sectors, which are made up of both traditional ideal-type and hybrid organizations. While the causal relationships between empowered actor, organization and institutional pressures are not entirely clear, in the NOR, what is clear is that actor, agency and institution define the environments where hybrid flourish. To the extent that actors within organizations are truly empowered by larger cultural forces and can choose their immediate environments and interaction partners, they have some discretion over how deeply institutional forces will penetrate and define the organization (e.g., Billis’s term organic hybridity) or which stakeholders and thus institutional forces they invite to the table (e.g., Billis’s term enacted hybridity).

What are we to make of the longevity and usefulness of hybrid organizations for solving social ills or for reshaping institutional norms? These questions are yet to be fully answered, but this edited volume establishes through rich cases and theorizing that they will be elemental to both. While hybrid forms pose some difficulties for management and governance, there are certainly ways to mitigate and manage these downsides (see Chapters 9, 11, 14, 15, 22, and 23 as a few examples). Further, policy makers and public administrators certainly have a unique opportunity right now to shape the continued creation of hybrid forms through legislation, in ways that promote their positive potential (see Chapters 8 and 15 as examples). Organizations whether hybrid or otherwise are the dominant form of social intervention today (Bromley and Meyer 2015). However, perhaps solving social ills and reforming institutions does not require more, new forms of organizations but rather a reckoning with the types of values and identities we want the organizations we already have, to espouse. In many of the chapters, there is a call to reestablish public and community values and logics alongside those of the market. Do we need empowered actors in new organizational forms to lead this charge? Or, can policy makers step in as they did when managerialism and NPM were formed?

Whichever side of the spectrum one finds themselves on, it is clear that hybrid organizations are a force to pay attention to, and they are fascinating for many reasons that require continued study. One recommended use for this volume of work is to use it in conjunction with texts chronicling meta-level cultural trends in

organization such as Bromley and Meyer's *Hyper-Organization: Global Organizational Expansion*, as well as meso-level organizational trends related to changing stakeholder relationships, organizational empowerment and identity such as *The Oxford Handbook of Organizational Identity* (Pratt et al. 2016) and *The Cambridge Handbook of Stakeholder Theory* (Harrison et al. 2019). In sum, this is an important work that tracks the history and modern relevance of hybrid organizations for both our thinking about a new world of organizations as well as the role of organizations in a new world. While perhaps pushing some beyond their comfort zone, this volume helps moves our conceptualization of what is and what has been to what is possible for society in a new era of organizing.

## References

- Battilana, J., M. Sengul, A. C. Pache, and J. Model. 2015. "Harnessing Productive Tensions in Hybrid Organizations: The Case of Work Integration Social Enterprises." *Academy of Management Journal* 58 (6): 1658–85.
- Billis, D. 2010. "Towards a Theory of Hybrid Organizations." *Hybrid Organizations and the Third Sector: Challenges for Practice, Theory and Policy*: 46–69, [https://doi.org/10.1007/978-0-230-36439-4\\_3](https://doi.org/10.1007/978-0-230-36439-4_3).
- Blau, P. M., and W. R. Scott. 2003. *Formal Organizations: A Comparative Approach*. Stanford University Press.
- Bozeman, B. 1987. *All Organizations Are Public: Bridging Public and Private Organizational Theories*. Jossey-Bass.
- Bromley, P., and J. W. Meyer. 2015. *Hyper-organization: Global Organizational Expansion*. Oxford University Press.
- Child, C. 2016. "Tip of the Iceberg: The Nonprofit Underpinnings of For-Profit Social Enterprise." *Nonprofit and Voluntary Sector Quarterly* 45 (2): 217–37.
- Child, C., E. Witesman, and R. Spencer. 2015. "The Blurring Hypothesis Reconsidered: How Sector Still Matters to Practitioners." *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 27 (4): 1831–52.
- Dahl, R. A., and C. E. Lindblom. 1953. *Politics, Economics and Welfare*. New York: Harper & Brothers.
- Denis, J. L., E. Ferlie, and N. Van Gestel. 2015. "Understanding Hybridity in Public Organizations." *Public Administration* 93 (2): 273–89.
- Harrison, J. S., J. B. Barney, R. E. Freeman, and R. A. Phillips, eds. 2019. *The Cambridge Handbook of Stakeholder Theory*. Cambridge University Press.
- Hood, C. 1991. "A Public Management for All Seasons?" *Public Administration* 69 (1): 3–19.
- LePore, J. 2021. "What Should We Call January 6th." *The New Yorker*. <https://www.newyorker.com/news/daily-comment/what-should-we-call-the-sixth-of-january> (accessed January 25, 2021).
- March, J. G., and J. P. Olsen. 1989. *Rediscovering Institutions*. Simon and Schuster.
- Perry, J. L., and H. G. Rainey. 1988. "The Public-Private Distinction in Organization Theory: A Critique and Research Strategy." *Academy of Management Review* 13 (2): 182–201.

- Pratt, M. G., M. Schultz, B. E. Ashforth, and Ravasi, D., eds. 2016. *The Oxford Handbook of Organizational Identity*. Oxford University Press.
- Public Trust in Government: 1958–2019. 2020, May 30. Retrieved March 12, 2021, from <https://www.pewresearch.org/politics/2019/04/11/>.
- Rosenbloom, D. H. 1983. "Public Administrative Theory and the Separation of Powers." *Public Administration Review*: 219–27, <https://doi.org/10.2307/976330>.
- Wamsley, G. L., and M. N. Zald. 1973. "The Political Economy of Public Organizations." *Public Administration Review*: 62–73, <https://doi.org/10.2307/974786>.