THE 'COMPANIZATION' ORGANIZATIONAL MODEL

Managerial challenges and responses in a peculiar hybrid organization. A case study on Plantagon International.

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PLANTAGON

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Abstract

This Master thesis aims at exploring a new-to-the-market organizational model, the Companization, and the managerial practices used to face challenges and tensions related to it. Studying the Swedish social enterprise Plantagon International, this paper attempts to understand which peculiar hurdles are encountered by hybrid organizations and how they react. Through an extensive literature review in the academic fields of Institutional Logics, Profit-Nonprofit Partnerships, and Hybrid Organizations, the author develops an analytical framework with the purpose of categorizing organizational areas interested by hybrid-specific challenges and available responses suggested by academia. These responses are then compared to the findings from Plantagon International in the analysis, and the most interesting practices are used to complement the analytical framework developed. Among them, a specific focus is placed on the *reverse stream of funding* shown by Plantagon's hybrid structure. Finally, recommendations are provided to scholars for future research and to Plantagon's management for the delicate transitional phase the organization is going through.

Keywords: *Companization, Social enterprises, Hybrid organizations, Reverse stream of funding.*

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Table of Contents

Table of Figures

1. Introduction

1.1. Background – 'Business as usual is over'

The traditional way of doing business that has been dominant for centuries is now being challenged by many scholars and even few important practitioners. According to Hans Hassle (Secretary General of Plantagon International Association), for instance, "maximizing profit can no longer be the primary reason for a company's existence. Environmental, social and political interests as well demand more of us" (H. Hassle, *Business as usual is over*, 2012, p. 15). It is no longer simply a matter of corporate social responsibility; it is now a matter of competitiveness and survival in the marketplace. On one hand, customers are increasingly demanding transparency and accountability of firms for the social impact of their operations and value chains. On the other hand, companies themselves need to acknowledge their new and augmented responsibilities towards the world they contribute to shape (Kramer & Porter, 2011). In the modern business reality, enterprises play a major role both in the wellness of human beings across the world and in the potential future improvement of their living conditions, mostly through the promotion of innovations (Edwards-Schachter, Matti & Alcántara, 2012). The dominant position that was previously enjoyed by governments is now a trait of companies, which must therefore behave and operate consistently with this renewed societal role. In order to stay profitable – and ultimately alive – firms of every size need to take into consideration these requests by global consumers.

1.2. Corporate Social Responsibility

So far, the prevailing answer provided by the business world has taken the form of Corporate Social Responsibility (CSR) initiatives. CSR, among many other definitions provided by scholars over time, "relates primarily to achieving outcomes from organizational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects on pertinent corporate stakeholders" (Epstein, 1987, p. 104). Along its development, CSR turned from being a commitment structurally separate from the business model into being integrated in it, to variable extents. However, there is still a long way to go to make CSR an inherent underlying value able to shape organizational structures and strategies of MNEs (Frynas, 2005). The latest trend, instead, is the emergence of hybrid organizations that acknowledge *ex ante* their social responsibility and put it at an equivalent level of importance to their profit-generating responsibility (Doherty, Haugh & Lyon, 2014). These organizations are a step beyond in the process of embedding social missions into business as compared to CSR initiatives. Therefore, this research will focus on these emerging organizational models, analyzing them with a holistic approach.

1.3. Theoretical framework – main fields of interest

This paper aims at shedding a light on the practical implications of managing a hybrid organization that combines features of for-profit and non-profit (widely labelled 'social enterprise'). The general framework used as a starting point is the extensive literature in the field of Institutional Logics, defined as taken-for-granted beliefs and practices that guide actors' behavior in fields of activity (Friedland & Alford, 1991; Thornton, Ocasio & Lounsbury, 2012). This field is particularly relevant as in social enterprises two conflicting logics clash – business and charity – and thus need to be reconciled to let the organization survive, compete effectively in the marketplace and achieve both its missions.

The theoretical framework at the basis of this piece of research will also include a review of the literature in the field of Profit-nonprofit Partnerships. Three models will be presented and – among them – the one proposed by Austin and Seitanidi (2011) will receive particular attention, since it is the most rational and comprehensive for the purpose of this thesis. The choice of addressing this field of study is motivated by the realization that social enterprises are the next step in the 'Collaboration Continuum' individuated by the authors, a clear evolution of the 'transformational stage' of profit-nonprofit collaborations (Austin & Seitanidi, 2011).

The third theoretical field of interest for this research is specific about hybrid organizations and social enterprises. The latter represent an 'extreme case' of hybridization and their sustainability as hybrids depends both on the advancement of their social mission and on their commercial performance (Battilana & Lee, 2014). The lens used in analyzing the big amount of theoretical material and best practices in this field will be on the challenges faced by management and leaders. The 'hybrid ideal' (Battilana, Lee, Walker & Dorsey, 2012) will be compared to an 'actual hybrid' (Plantagon) drawing from theories coming from Institutional Logics, Profit-nonprofit Partnerships and social enterprises.

1.4. Purpose of the study and main focuses

The ambition of this research piece is to add empirical material to the *corpus* of existing literature in the field of hybrid organizations – which is relatively recent – and to test the available theoretical models against a real world business context. The selected methodology is, indeed, a single case study on Plantagon International. This research design is well suited to focus on the uniqueness of the case and to develop a deep understanding of its complexity (Bryman & Bell, 2015), although it usually lacks generalizability of findings. Since Plantagon represents an example of hybrid organization – and namely of social enterprise – it allows the author to compare managerial challenges and responses suggested by the academic literature with real business world. The purpose is to see to what extent the practice fits into the theoretical models, or at least how effective is the guidance provided by

theory for managers concerned with reconciling two conflicting institutional logics. This task will be carried out by framing Plantagon's structure into the most accepted and prevailing models currently available for hybrid organizations. Such models, for instance, distinguish between 'differentiated' and 'integrated' hybrid organizations, depending on whether their activities targeted toward serving the beneficiaries (thereby achieving the social mission) are separate or not from the ones targeted toward serving customers, thereby generating revenues (Ebrahim, Battilana & Mair, 2014). This categorization is important because it changes substantially the conditions within the hybrid organization, for example in terms of risk of 'mission drift'. Therefore, Plantagon will be classified as either differentiated or integrated in order to narrow the set of challenges and potential solutions to be taken into account.

Regardless of being differentiated or integrated, hybrid organizations face both internal and external tensions that differ in various aspects from the ones faced by traditional only-business or only-charity organizations. These tensions affect five key areas of organizational life: organizational activities; workforce composition; organizational design; inter-organizational relationships; organizational culture (Battilana & Lee, 2014). Each of them will be investigated on a theoretical level and in the particular case of Plantagon International with the aim of gathering empirical evidence to either support or challenge the current beliefs.

1.5. Plantagon International and the 'Companization' structure

Plantagon represents a perfect example of hybrid organization that pursues simultaneously social and financial objectives, and exhibits unique features as well; therefore, it has been selected as object of the case study in this piece of research. Plantagon International is a Swedish organization founded by Hans Hassle and Oren Lyons, belonging to the Native American indigenous people of Onondaga Nation, on January 29, 2008; it is located in Stockholm. Plantagon is owned by the Onondaga Nation and by a Swedish company, Swecorp AB. The company is active in the Agritechture sector and develops agricultural solutions for urban environments, such as vertical gardens and aesthetical and functional real estate solutions that integrate within the urban infrastructure (Plantagon International AB, 2017). Agritechture itself is defined on Plantagon's website as "a unique way of combining urban agriculture, innovative technical solutions and architecture to meet the demand for efficient food production within cities".

However, given the topic addressed by this thesis, it is more interesting to look at the organizational model chosen by Plantagon to carry out its operations. Plantagon, indeed, is a 'Companization'. This word is the result of a combination between the words 'company' and 'organization'; the term was coined by the inventor of the model itself – Hans Hassle – and first mentioned in his book *Business as usual is over* (2012, p. 16). The

Companization is "an alternative organizational model that assumes the effectiveness of the company and at the same time creates a balance between economic forces and social responsibility" (Plantagon International AB, 2017). It is, in fact, a hybrid between a for-profit company and a non-profit association open for all. Plantagon Non-profit Association owns 10 percent of the company and has the right and the responsibility to appoint half of the company's board members. It is sort of a 'revolutionary' organizational model where all external actors (stakeholders in the broadest sense) have the possibility to influence directly the choices of the company simply paying a membership fee to join the nonprofit association, without the need to buy shares or commit vast economic resources.

It must be furtherly stressed, however, the reason behind the choice of Plantagon for this case study. It is usually desirable to choose a particular organization and not rely on random sampling if that organization has special characteristics that allow one to gain certain insights that other organizations would not be able to provide (Siggelkow, 2007). This is exactly the reason why Plantagon has been selected; it is, in a way, a case showing some crucial peculiarities that differ significantly from other social enterprises, making it barely assignable to categories like 'integrated' or 'differentiated'. The natural consequence is the likelihood of the case to contribute significantly and originally to enlarge the academic knowledge about social enterprises, at least adding a new type of organization to be further investigated by researchers. Similarly to other social enterprises, the for-profit side is the realization tool for the nonprofit mission. The fundamental distinctive feature of Plantagon, by the way, lies in the financing relation between the two parts of the companization. Plantagon, indeed, shows a 'reverse stream of capital' as compared to its analogous organizations; that is, financing of the commercial side comes partly from the nonprofit association. So far, investments by Plantagon International AB (i.e. the for-profit part) have been funded by its owners. The plan for the near future, however, is to complement this funding source with 10-year membership fees paid by association members, totally overturning the basic assumption in social enterprises: profits from the commercial side invested in social projects. The rationale behind this choice is also attempting to reconcile the conflict of matching long-term goals with short-term sources of capital. Since environmental sustainability is itself a long-term goal, the association and its 10-year membership fees try to provide long-term money for such goal.

In addition, Plantagon displays another characteristic that makes its categorization in available frameworks difficult: its beneficiaries are not so straightforward to individuate. This is quite a common problem when the social mission entails environmental sustainability: the set of beneficiaries takes on rather blurred boundaries. Such unclear definition of beneficiaries, however, makes virtually impossible to frame Plantagon in the traditional categories of 'integrated' and 'differentiated' hybrid organizations.

In the set of hybrid organizations, and especially within the subset of social enterprises, Plantagon is therefore a *unicum*, something similar to the 'talking pig' that Ramachandran uses to describe the importance of single cases in neurology (Ramachandran & Blakeslee, 1998, p. 5), an example used also in managerial literature (Siggelkow, 2007). The insights potentially extractable from a case so peculiar might be useful for companies with similar characteristics (if existing); for sure, they may complement the existing knowledge in a relatively recent field of study with a phenomenon yet to be investigated: the reverse stream of capital between for-profit and nonprofit sides of a social enterprise.

The declared objective of Plantagon is "to raise financial and marketing support for innovators and companies that seek to meet societal challenges through economically competitive solutions" (Plantagon International Association, 2017). From this statement, it clearly emerges the double nature of commitment taken by Plantagon. In accordance with their underlying radically innovative values, the Companization structure aims at challenging the *status quo* in the industry – and ultimately in the whole business world.

As Hans Hassle, co-founder of Plantagon, would put it, 'business as usual is over'. What we need for a no-longer-usual business is a new organizational model that embeds social requests in a profit-driven company; at its roots, not merely on the surface. The social enterprise is the emerging solution. However, a standard for such hybrid structures has yet to be imposed on many levels (legal and cultural to begin with). Plantagon has the potential to "serve as a testing ground, and we expect that the most successful models will be replicated" (Battilana, Lee, Walker & Dorsey, 2012, p. 55). The main purpose of this study is to assess in detail such a model, together with its advantages and drawbacks in terms of management.

1.6. Research questions

For this purpose, the research question has been formulated as follows:

The 'Companization' as a hybrid organizational structure: what challenges does it imply, why, and how to handle them from Plantagon's case?

Furthermore, a sub-research question has been formulated as follows:

How did Plantagon manage to implement a hybrid model that embeds a 'reverse stream of funding'?

1.7. Thesis disposition

The thesis begins with an *Introduction*, included in Chapter 1, that presents to the reader some background information and a summary of the fields addressed in the literature review. Besides, it introduces the organization subject of the research – Plantagon International – and displays the reasons that led the author to select it and to formulate the research questions, together with the purpose of this study.

Chapter 2 consists of the *Theoretical Framework*. It is divided into three sections, each covering a different macro-topic: Institutional Logics, Profit – Nonprofit Partnerships, and Hybrid Organizations. This design of the literature review is meant to narrow down the focus progressively towards social enterprises, the managerial challenges they face, and the prevailing responses individuated by academia.

The third chapter deals with the *Methodology* used by the researcher to gather and analyze both primary and secondary data. Moreover, this chapter addresses the issue of quality criteria such as validity and reliability, and provides a detailed description of the undertaken research.

Empirical findings are included in Chapter 4, which begins with a general overview of Plantagon. This chapter is shaped according to the five areas of 'hybrid organizing' analyzed in the second chapter, thus divided into likewise sections. The findings are presented with abundant recourse to quotations and examples from the interviews.

Chapter 5 is devoted to the *Discussion*. Here the primary data collected is compared to the analytical framework developed in Chapter 2. The analysis is first summarized in a table to help the reader grasp the most meaningful insights; then the author descants on the key empirical findings, highlighting novelty and uniqueness of some practices found in the case study.

The final chapter of the thesis presents the *Conclusions* drawn by the author. Chapter 6 starts with a recall of the introduction, then a brief summary of the research process, leading to the answers to the research questions at the basis of this study. In addition, both theoretical and managerial implications are exhibited together with their generalizability. Finally, the thesis ends with the individuation of some opportunities for future research and few conclusive remarks.

2. Theoretical framework

2.1. Institutional Logics

2.1.1. Definition

The Institutional Logics framework is the starting point of the theoretical architecture built in this section. This field of analysis is relatively recent: in fact, most scholars refer back to Friedland & Alford (1991) as the first fundamental contribution. Over time, many definitions of Institutional Logics (ILs) have been provided in the literature but here just two of them are presented, the most useful ones for the purpose of this thesis. First, ILs represent "frames of reference that condition actors' choices" (Thornton, Ocasio & Lounsbury, 2012, p. 2). These frames are simply principles, practices, and symbols if addressed on a theoretical level. When ILs are brought to a pragmatic, day-by-day level, then they are crucial drivers that influence individual behaviors of actors living and operating in social contexts. Since the focus of this thesis is on a specific social *locus* – the corporation – it is more interesting to investigate how institutional logics impact indirectly the organizational context through exercising influence directly on the individuals that work in such context. Each IL is capable of shaping reasoning of individual actors and their rationality (Thornton, Ocasio & Lounsbury, 2012), therefore every social interaction within a company can be seen as the 'political' effect of a recombination of individual logics.

Another definition, borrowed from Battilana & Lee (2014), highlights that those principles, practices, and symbols are "taken-for-granted beliefs", thus considering the option of modifying or reshaping them rather unlikely. This insight, although questionable, proved itself true also in practical cases (see the example of BancoSol in Battilana & Dorado, 2010). It is often not possible to rearrange 'beliefs' of individual actors that are crystalized by previous experiences and education background. Most importantly, this creates for corporate managers issues in dealing with the reconciliation of different institutional logics. Indeed, institutional logics provide the organizing principles for a field (Friedland & Alford, 1991). The problems emerge when two competing institutional logics coexist and need to go along for the social context to function properly, whether it is a family, a state or a corporation.

2.1.2. Conflicting Institutional Logics – 'Institutional Complexity'

The situation in which multiple institutional logics coexist within an organization gives rise to the so-called 'institutional complexity', where incompatible prescriptions deriving from these logics confront each other (Greenwood et al., 2011). To use a strongly descriptive image, we might visualize such organizations as melting-pots of different institutional logics, with principles, values, behaviors coming from different 'souls' of the

organization that mix and give birth to brand new ones. The emergence of this hybrid new logic within the organization is, however, just one of the possible outcomes of these 'melting' dynamics.

Another potential mechanism of reconciliation is the co-existence for a short period of time – a transitional phase – until the conflict is resolved and the whole field reforms around the winning logic. This way, fields become centers of debate in which competing interests negotiate over issue interpretation, eventually leading to a prevailing position; a crucial role in this process is played by disruptive events that cause a reconfiguration of interaction patterns (Hoffman, 1999).

It is worth considering also an alternative scenario of interaction between conflicting ILs. So far, the underlying assumption has been that multiple irreconcilable logics may cohabit only for a limited amount of time. If this assumption is removed, the result is that a longer timespan of simultaneous existence must be analyzed as well. In this case, as Reay and Hinings explained:

> "When competing logics co-exist in an organizational field, actors guided by different logics may manage the rivalry by forming collaborations that maintain independence but support the accomplishment of mutual goals" (Reay & Hinings, 2009, p. 645).

This conclusion drawn by the two scholars might hold if the level of analysis is the organizational field, which is often the case in the literature about institutional logics. But what happens if the lens is on a single organization? Is it sufficient to have mutual goals and collaborations in order to manage the rivalry? The important idea here is that an organization is inherently the expression of a timewise undefined commitment, which might well be a long-term commitment. Moreover, in order to be considered an organization it must be organized, therefore "formed into a structured whole; systematically ordered and arranged; having a formal organizational structure to arrange, coordinate, and carry out activities" (Oxford University Press, 2017; definition of 'organized'). The cohabitation of conflicting logics seems to hinder a peaceful and effective coordination of efforts toward the pursuit of a common goal, even more so that "actors guided by different logics may maintain strong separate identities" (Reay & Hinings, 2009, p. 646). Inevitably, unresolved tensions lead to failure, unless logics merge successfully in a new form and find proper accommodation in an *ad hoc* organizational structure.

2.1.3. Institutional change and the 'institutional entrepreneur'

The concept of institutional change is often explained by researchers as the shift from a dominant logic to another one (Greenwood, Suddaby & Hinings, 2002; Hoffman, 1999). A fundamental role in this process of change is played by professional associations, which both raise debate within the practitioners and reframe

professional identities, with the aim of presenting the profession differently to others outside (Greenwood, Suddaby & Hinings, 2002). However, in the generic business and managerial world, there is no professional association as such. Professional identities in this case are forged primarily by business schools and companies. Ethical and behavioral reference frameworks are not clearly specified or agreed-upon *ex ante*, as it happens for instance for doctors and lawyers. On one hand, this leads to a very multifaceted universe of traits within the businessperson professional identity, sometimes disparate and conflicting. On the other hand, the absence of a clear-cut landmark for values and principles is beneficial because it allows for an easier change than otherwise possible in presence of entrenched reference systems.

There is, however, a substitutive actor potentially capable of transforming the dominant logic, either leading the shift to an alternative one or reconciling two conflicting logics: the 'institutional entrepreneur'. Through a process of 'bridging institutional entrepreneurship', he or she combines aspects of established institutional logics – and their associated practices. The outcome is the creation of a new, hybrid logic that might potentially lead to the emergence of a new type of organization (Tracey, Phillips & Jarvis, 2011). In the case study analyzed in this thesis, as will be more evident in next chapters, Plantagon co-founder – and current Secretary General – Hans Hassle shows many characteristics of the institutional entrepreneur.

The link between institutional logics and organizational structures could appear weak at a first glance. We ought not to forget, however, that "organizational forms and managerial practices are manifestations of, and legitimated by, institutional logics" (Greenwood et al., 2010, p. 521). In the end, organizations are made of people, and people bring with them the 'burden' of institutional logics. Organizations, furthermore, seek legitimacy by complying with institutional logics. When an organization is characterized by the coexistence of multiple institutional logics – that is, it is a carrier of multiple ILs – it tends to combine different sectoral features or organizational forms, possibly reaching a hybrid structure that mirrors its hybrid institutional logic (Skelcher & Smith, 2015).

2.1.4. Two specific institutional logics: social and business

The contemporary economic system provides a large number of examples of organizations that bear multiple institutional logics and had to adapt their structure and processes accordingly. Hospitals are one of these examples. They gather different professional figures – doctors, nurses, social workers to mention some – each with different values, principles, responsibilities. Accounting firms, similarly, are subject simultaneously to the logic of professional service and to the logic of business (Greenwood et al., 2011), as they embed an inherent profit motive in a company where accountants' actions are driven by their own professional identity; and

possibly, this identity is shaped by the professional association they belong to, as explained in the paragraph 2.1.3. Perhaps the most troublesome example of conflicting logics is found in academic science departments in universities. In researchers' jargon, these structures are often labelled 'Technology transfer offices'. The rationale behind their existence is dual: they encourage academic publication by university experts (teachers, PhD students etc.), and monetize this knowledge through commercial exploitation, mostly in the forms of licensing agreements, sponsored research projects and spin-off firms (Bercovitz & Feldman, 2006). Consequently, their nature is dual as well, and logics of science and commerce coexist and prescribe conflicting behaviors. Science logic would advise open publication for knowledge diffusion; commerce logic suggests knowledge retention and focus of research on topics 'closer to the market' (i.e. more focused and later stage).

The technology transfer office (TTO) example is particularly relevant for the purpose of this study. Indeed, these departments do not just face an 'institutional complexity' problem, defined in paragraph 2.1.2. as a situation where incompatible prescriptions deriving from different logics confront each other (Greenwood et al., 2011). The science and commerce logics, beyond being incompatible in some occasions, raise real trade-offs both for scholars and for officers. Scholars can either focus on basic research – if their purpose is to generate new knowledge and contribute to advance the theoretical state of the art – or focus on applied research in order to gain legitimacy (and even economic rewards) from the TTO. People working in the TTO also face a trade-off: they can either pursue a pure economic motive, thus protecting knowledge through patent enforcement, or pursue the goal of diffusing research findings, sometimes sacrificing profitability.

This analysis about the TTO example leads the discussion to a crucial point that stands as the basis for this piece of research: the existence of a trade-off between social and financial return associated to organizations that carry both a social and a business logic. The latter, also labelled 'logic of the market', is driven by efficiency, profitability and accumulation (Bryson, Crosby & Stone, 2006). The former, instead, contains values like sustainability, inclusion and impact on local communities. Organizations that combine these two logics face a continuous trade-off in their actions, processes, norms and structures, because decisions that appear legitimate from one point of view may be regarded as illegitimate from the opposite perspective. Something that scholars also refer to as 'conflicting priorities' (Foster & Bradach, 2005). This trade-off complements the difficulties already in place due to 'institutional complexity'.

Organizations like the ones described do exist in the current economic world and face all the issues related to the cohabitation of multiple institutional logics. They are the evolutionary result of a process started decades ago with the so-called 'cross-sector collaborations'. Such collaborations, also found under the label of 'profit-nonprofit partnerships', are simply "partnerships involving government, business, nonprofits and philanthropies,

communities, and/or the public as a whole" (Bryson, Crosby & Stone, 2006, p. 44). In the current economic world, many different forms of such collaborations exist, spanning from loose partnerships (e.g. joint fund-raising campaigns with each involved party maintaining its own independence) to full integration of structure, workforce, budget and strategy. This latter extreme of the continuum being either the result of partnerships' strengthening over time or the deliberate organizational shape selected to pursue both social and economic objectives, at times following the proactive endeavor of an institutional entrepreneur.

The next section will analyze profit-nonprofit partnership deeply, using the most renowned models in the field as a general framework.

2.2 Profit – Nonprofit Partnerships

2.2.1. Introduction and different models

The conflict between institutional logics taking place within multiple-logics-carriers, previously defined 'institutional complexity', here is analyzed introducing a narrower perspective: partnerships between non-profit organizations (NPOs) and for-profit corporations. This way, from the whole universe of logics interacting in a multitude of possible social contexts, we turn our attention towards two specific sets of principles, values, behaviors and so on, in a specific social setting.

The 'Collaboration Continuum' concept is a comprehensive framework developed within academia to describe and categorize many different shades of collaborative relationships between profit and non-profit economic entities. Such partnerships, usually called 'strategic alliances' when they refer to businesses and involve the sharing of resources, knowledge, and capabilities, are instead called 'social alliances' when they span the for-profit/non-profit boundary (Berger, Cunningham, Drumwright, 2004). The root of the emergence of social alliances is mostly the search by non-profit organizations of additional funding through corporate involvement to accomplish their mission; in turn, this shift of attention derives from a reduction in funding by governments and other traditional sources (Dees, 1998). Researchers have created several models to frame this phenomenon, relatively new to the market. Below three of these models are presented and one out of them is selected as guidance for further theoretical framing of the research question investigated.

Rondinelli and London (2003), for instance, define the corporate-NPOs collaborations as 'cross-sector alliances' and design a continuum of such collaborations divided in three categories: arm's-length relationships, interactive collaborations, and formal management alliances. This framework is specifically designed for environmental collaborations but its applicability is clearly extendable to all other sorts of corporate-NPOs' relationships.

According to their classification, 'arm's length relationships' typically have a low intensity of involvement by both parties and take various forms, such as release time for employee volunteers, grants, donations, licensing of name or logo, joint fund-raising campaigns or equipment/technology gifts.

The intermediate stage, instead, labelled 'interactive collaboration' shows a moderate intensity of involvement by the parties. This level of collaboration may take forms like the creation of stewardship councils, the agreement to recognize NPO certification, the sponsorship of projects and the support for research.

The other extreme of this continuum, characterized by a high intensity of involvement by both parties, is called 'intensive management alliance'. Typical forms of these alliances are product redesign (to comply with the social mission of the NPO) and changes in manufacturing and distribution processes. In other words, complete rearrangement of value chain, value proposition and partners' selection.
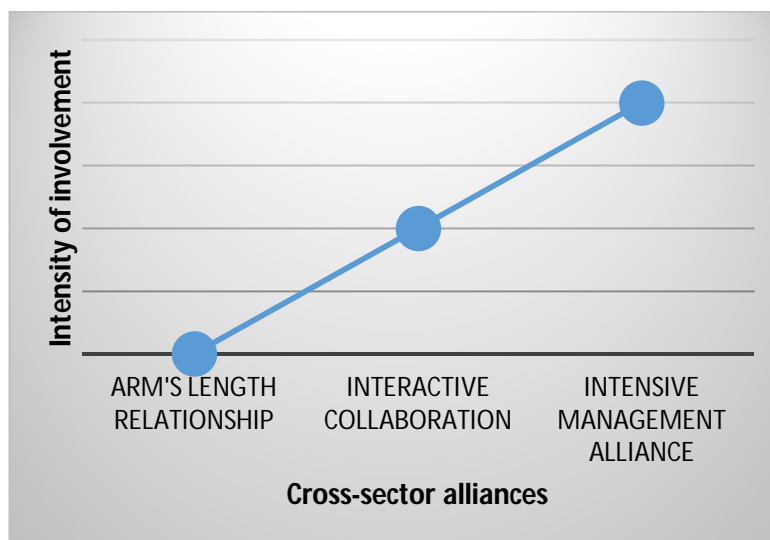
Figure 1. The continuum of cross-sector alliances. Source: own elaboration on Rondinelli and London, 2013 (pp. 66-67).

Berger, Cunningham and Drumwright (2004) distinguish 'social alliances' from 'strategic alliances' based on two parameters: first, they involve at least one non-profit partner; second, they include non-economic objectives (i.e. focused on improving social welfare) in addition to traditional economic ones. In this model, the alliances are classified according to several structural characteristics. The first one is the level of the alliance, which can be either at brand-level or at company-level. Then, they distinguish between alliances entailing a dedicated alliance manager position and others without such position. The same distinction is made based on the existence (or not)

of a dedicated alliance marketing budget. Another characteristic taken into account when categorizing social alliances is the amount of donations, which can be either fixed or variable. Then, the intensity of involvement is assessed through a proxy (namely, the number of joint marketing initiatives). Finally, the model just presented distinguishes between collaborations that represent venues for grassroots engagement of company employees and customers and others that do not.

All these structural characteristics taken into account allow researchers to assess the depth of the corporate-NPO collaboration, distinguishing levels of commitment for different functions within each partner. However, the important concept that ought to be borne in mind, in order not to lose sight of the theoretical process undergoing in this study, is: every possible combination of the characteristics presented above (alliance manager position or not, alliance marketing budget or not etc.) leads to a peculiar case, with its own conflicts of institutional logics, cultural tensions and managerial challenges.

Social alliance structural characteristics		
Level of alliance	Brand-level	Company-level
Alliance manager	Dedicated position	None
Alliance marketing budget	Dedicated budget	None
Amount of donations	Fixed	Variable
Number of joint marketing initiatives	High	Low
Venue for grassroots engagement of employees and customers	Yes	No

Figure 2. Classification of social alliances. Source: own elaboration on Berger, Cunningham & Drumwright, 2004 (pp. 85-86).

2.2.2. The selected model: Austin & Seitanidi, 2011

In order to better understand the interactions between non-profit organizations and businesses, the best-suited model found along the extensive literature review carried out is in Austin and Seitanidi (2011). It is by far the most complete, rational and structured for classifying corporate-NPOs' collaborations. It is "a clear map able to disclose all the implications, including problems and solutions, stemming from value creation in – and by – nonprofit-business collaborations" (Mongelli & Rullani, 2017, p. 151). It will be therefore used in this thesis to frame the peculiar 'Companization' structure of Plantagon, subject of case study, together with its managerial challenges and responses.

The 'Collaboration Continuum' – definition used by the authors to include the whole universe of possible business-NPOs relationships – is a dynamic conceptual framework based on two parameters:

1) Degree, referring to the intensity of the relationship;

2) Form of interaction, referring to the structural arrangement between NPOs and corporations.

Given different degrees and different forms of interaction, Austin and Seitanidi (2011) identify four relationship stages: Philanthropic, Transactional, Integrative, and Transformational. Each of them is briefly presented below.

2.2.2.1. Stage 1 – Philanthropic collaborations

This category contains all those collaborations between for-profit companies and NPOs in which structures and functions remain completely separate. The complementarity of the parties is rather basic and lies on the most generic resource: money. The nonprofit organization brings the organizational capabilities needed to pursue the social mission whilst the corporation only provides funding. There is virtually no co-creation of value in such relationships, just simple creation of social value by the NPO. The for-profit company acts as any other donor would act and the degree of interaction is limited.

2.2.2.2. Stage 2 – Transactional collaborations

Transactional collaborations entail a bilateral flow of resources and a different nature of exchanged ones. In particular, typically resources here are not simply money but rather specialized assets with a greater value-generating potential. These key assets and competencies are often used in an isolated fashion to perform an activity that produces value only for the collaboration. In such kind of partnerships, the parties have usually reached an awareness of how creating value for oneself is dependent on creating it for the other (i.e. 'reciprocal value creation'). What is questionable in transactional collaborations, however, is the actual realization of improved societal welfare.

2.2.2.3. Stage 3 – Integrative collaborations

A further step is represented by integrative collaborations. Here, organizational fit extends to missions, values, and strategies, which become aligned over time as a result of working together successfully and developing deeper relationships and greater trust. In these relationships, the resource flow is labelled as 'conjoined', thus meaning that resources are effectively combined and not merely exchanged. The most relevant feature of integrative collaborations, given the research question of this thesis, is the fact that the generation of positive societal value assumes greater importance, becoming an integral part of the company's core strategy and affecting its managerial and leadership practices. The result is a much higher level of commitment and investment required by the for-profit company.

If we analyze the potential drawbacks of integrative collaborations, we must notice that NPOs run the risk of 'co-optation' by for-profit companies, resulting in a loss of identity and/or legitimacy (which is the most powerful resource they have when it comes to fund-raising). In many cases, therefore, a low-involving partnership (e.g. transactional collaboration) might be less risky and more rewarding than an integrative one (Herlin, 2015). On the same wavelength, Foster and Bradach (2005) believe that commercial involvement may distract NPOs' managers from their core social mission, even running the risk to take them "into unfamiliar commercial waters" (Foster & Bradach, 2005, p. 94).

2.2.2.4. Stage 4 – Transformational collaborations

The transformational structure is the ultimate level of corporate-NPO collaboration. It is the one characterized by the highest intensity of involvement and integration between the partners. Here, the partners agree to transform their own processes in order to co-create social innovation, thus improving societal welfare or at least alleviating the condition of people affected by a social problem. According to Austin and Seitanidi, "one form might be the joint creation of an entirely new hybrid organization" (Working Paper, 2011, p. 24). This is the starting point for the so-called 'Hybridization movement'. Figure 3 provides a visual representation to help the reader better grasp the Collaboration Continuum structure and its relevant factors.

2.2.3. The Hybridization movement

As stated above, the natural outcome of the growing integration within the 'social alliances' is the creation of hybrid organizations, specifically designed to pursue simultaneously financial and social purposes. In the words of the hybridization movement most recent spokespersons:

> "The essence of this movement is a fundamental convergence and reconfiguration of the social and commercial sectors, from completely separate fields to a common space. Hybrid organizations that are currently being created serve as a testing ground, and we expect that the most successful models will be replicated" (Battilana, Lee, Walker & Dorsey, 2012, p. 55).

The 'Companization' structure is the hybrid model under analysis in this thesis; it is a testing ground, and the aim of the empirical analysis that follows is to understand which problems such a structure entails for managers, in terms of conflicting institutional logics reconciliation and much more.

Philanthropic

Engagement: low
Importance to mission: peripheral
Magnitude of resources: small
Type of resources: money

Scope of activities: narrow
Interaction: infrequent

Trust: modest

Managerial complexity: simple

Strategic value: minor

Creation of value: sole

Transactional

Integrative

Engagement: high
Importance to mission: central
Magnitude of resources: big
Type of resources: core competencies

Scope of activities: broad
Interaction: intensive

Trust: deep

Managerial complexity: complex

Strategic value: major

Creation of value: conjoined

Transformational

Hybrid organization

Engagement: total
Importance to mission: self-reinforcing missions
Magnitude of resources: shared budget
Type of resources: all kinds

Scope of activities: broad
Interaction: continuous

Trust: very deep

Managerial complexity: very complex

Strategic value: common strategy

Creation of value: co-creation

Figure 3. The Collaboration Continuum. Source: own elaboration on Austin & Seitanidi, 2011 (Working Paper, p. 15).

2.3. Hybrid Organizations

Hybrid organizations are defined as organizations that combine in unprecedented ways different institutional logics (Scott & Meyer, 1991). This is only one among many other possible definitions of hybrids; however, it is particularly interesting for the purpose of this study as it refers back to our starting point: institutional logics. ILs are used here as a basis to provide a definition of hybrid organizations, which further demonstrates how the phenomenon of competing logics is becoming more widespread as well as the one of hybrids themselves (Pache & Santos, 2010).

The peculiar feature of hybrid organizations is that, by combining multiple standard organizational forms, they deviate from legally and socially legitimate templates and end up creating new templates (Battilana & Lee, 2014). Consequently, they bump into unique organizing and managerial challenges, thus becoming "a locus of disorder, and potentially, of creativity" (Battilana & Lee, 2014, p. 398). This creativity represents a valuable opportunity for the emergence of new business models, new managerial practices (e.g. employees' empowerment, reward mechanisms) and new ways of inter-organizational networking.

The research focus of this thesis is about a particular subset of hybrids, namely 'social enterprises'. A large amount of academic papers and articles covers the subject, so large that even generates some confusion in distinguishing social enterprises from other hybrid forms. Within scholars, the distinction ended up being somehow blurred; therefore, one preliminary clarification is necessary. Social enterprises represent an 'extreme case' of hybridization. The peculiar – and distinctive – point is that their sustainability as hybrids depends both on the advancement of their social mission and on their commercial performance (Battilana & Lee, 2014).

From a broader point of view – or even philosophical, one could say – social enterprises combine the 'incumbent logic' and the 'challenger logic'. In this context, incumbent logic is a concept extremely rich in significance, a comprehensive label for what Hans Hassle calls 'business as usual' (Hassle, 2012). This logic, in a nutshell, is the profit-driven, quarterly-oriented way of running businesses, the greediest face of modern capitalism. On the very opposite end, we find the 'challenger logic', which in this backdrop stands for a responsible and sustainable way of doing business, taking into account requests – even undisclosed or unexpressed – from a multiplicity of stakeholders (especially the weakest ones). The social enterprise goes far beyond CSR, even farther than embedding principles of ethics, responsibility and sustainability in the way managers run the business. It is inherently ethical, responsible and sustainable; it is its own *raison d'être.*

The emergence of social enterprises derives also from an historical turning point: the realization that the sharp separation between commercial and social activities is a myth. For a long time, indeed, it was assumed that commercial activities could not substantially improve social welfare. More recently, and fortunately, most

scholars and practitioners have reached awareness that "the vectors of social value and commercial revenue creation can reinforce and undermine each other" (Battilana et al., 2012, p. 52).

If we embrace a narrower point of view, instead, it becomes clear that social enterprises are on the edge of the continuum of social alliances extensively described in the previous section. They, in fact, brought the level of collaboration between corporations and NPOs to an extreme, merging structurally and legally two paradigms that were for a long time regarded as incommunicable. As a result, they have to deal with an 'extreme' level of institutional complexity, trying to reconcile profit-maximizing and impact-maximizing logics. The next step is presenting the characteristics an 'hybrid ideal' should have in order to succeed; later, the challenges faced by real hybrids (in particular, social enterprises) will be introduced, together with different approaches to manage them found in the academic literature and in renowned best practices. The final outcome is the construction of a comprehensive theoretical framework that categorizes these challenges and the available options to handle them (presented in Figure 6), then compared against the practical case of Plantagon International in Chapter 5.

2.3.1. The 'Hybrid Ideal' and its challenges

The 'hybrid ideal', as evident from its own name, is more a hypothetical entity rather than an existing one. It is sort of a chimera, a mythological organization, which is "fully integrated – everything it does produces both social value and commercial revenue" (Battilana et al., 2012, p. 52). This kind of organization has at least two distinctive features, worth presenting as all 'real hybrids' should strive to reach that state.

First, in the hybrid ideal, managers do not have to choose between social mission and economic profit; these purposes are integrated in the same strategy and permeate the whole organizational environment. This is the crucial characteristic, whose natural consequence is the downfall of the trade-off between social and financial return described earlier in this literature review. Second, the integration of value creation gives rise to a virtuous cycle, where profits are reinvested to pursue the social mission; thus enabling scalability of solutions to social problems (Battilana et al., 2012). Figure 4 summarizes the features of a hybrid ideal, highlighting the circularity of its activities.
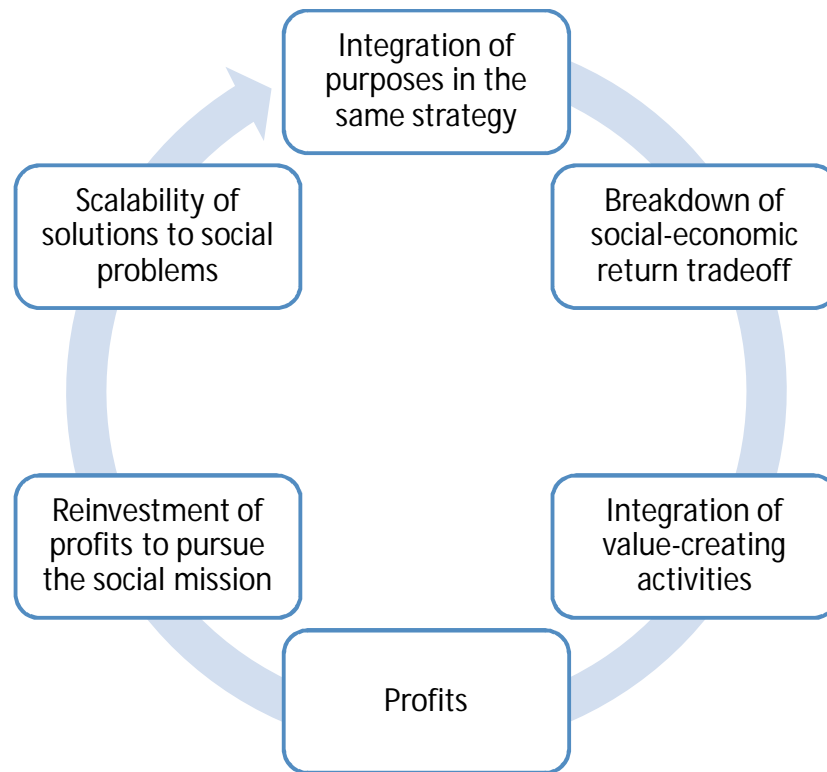
Figure 4. The 'Hybrid Ideal'. Source: own elaboration on Battilana et al., 2012.

Reality, of course, is much different from this ideal-typical scenario. Trade-offs between social activities and commercial ones, in social enterprises' management, are everyday occurrences; and the trickiest task is to generate an acceptable stream of revenues without losing sight of the social purpose. Some scholars, indeed, have a gloomy sentiment about the actual functioning of such hybrid organizations. Just to provide a very negative one to the reader:

> "Despite the proposed benefits of hybridity, the presence of pressures to conform to both the business and charity forms appears to significantly and concretely jeopardize hybrid social ventures' prospects for survival" (Lee, 2014, p. 3).

2.3.2. Matching (or not) beneficiaries and customers

At this point of the discussion, it is convenient to introduce another rather abstract categorization, in order to sort social enterprises based on their activities' integration.

The initial assumption is that two different sets of stakeholders are affected by the operations carried out by a social enterprise: customers and beneficiaries. Customers are the ultimate targets of commercial activities,

either as product buyers or as service buyers (or a mixed package of products and services). Beneficiaries, on the other hand, are the group towards whom social activities are pointed. This double nature of targets is also a unique feature of social enterprises. Normal for-profit companies only aim at customers, providing them value and extracting value from them, in a mutually beneficial transaction. NPOs only address beneficiaries, creating value for them whilst creating value for the community as a whole. Having to deal with two different sets of stakeholders can culminate in the creation of two distinct types of social enterprises: differentiated and integrated hybrids.

"Integrated hybrids achieve their mission by integrating beneficiaries as customers" (Ebrahim, Battilana, & Mair, 2014, p. 83). That is, customers and beneficiaries overlap; the ones who are paying for the product/service, thus generating commercial revenues, are also the ultimate recipients of the social initiative. This category includes the hybrids that break the traditional customer-beneficiary dichotomy. This is because their products and services, when consumed, produce social value (Battilana et al., 2012). It is much easier to understand this category with examples: Banco Solidario and Caja de Ahorro y Prestamo Los Andes. These two pioneering commercial microfinance organizations from Bolivia pursue their social objectives by providing loans to their beneficiaries, who are also their customers (Battilana & Dorado, 2010). This category of hybrids, in a sense, is the closest one to the 'hybrid ideal'.

In differentiated hybrids, customers and beneficiaries are, instead, two distinct groups. The profits generated by commercial activities directed towards customers are used to fund social activities that help beneficiaries (Ebrahim, Battilana, & Mair, 2014). Hybrid enterprises belonging to this category are more likely to face trade-offs in running their operations, and they are also more prone to stumble upon 'mission drift'. Differentiated social enterprises, in fact, run the risk to focus on their customers, since they depend on them for financial resources, and eventually to neglect their beneficiaries (Battilana et al., 2015). This is, in brief, what scholars in the field call 'mission drift'.

To conclude this discussion about differentiated and integrated hybrids, two additional facts must be specified. First, this categorization – as most within academia – is a continuum where the two presented options are just the extremities; many intermediate situations in real life may exist. Second, most hybrid organizations do not have the possibility to decide where to position themselves. In other words, the overlapping between customers and beneficiaries might depend on the industry, on the characteristics of the product/service offered, or on the purchasing power held by the beneficiaries. If, for instance, they do not have sufficient available income to buy the product/service, then it is not an option for the hybrid to integrate beneficiaries and customers. Finally, the

peculiar situation that allows microfinance organizations to be integrated is not the same for every hybrid, and this must be considered when evaluating economic and social performance.
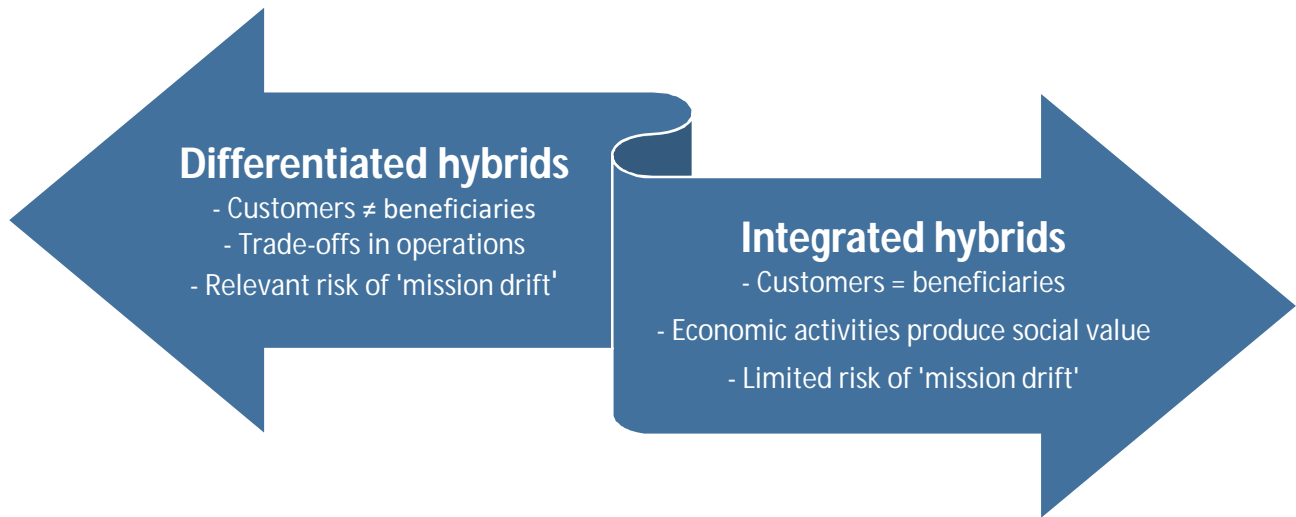
Figure 5. Differentiated vs. Integrated hybrids. Source: own elaboration.

2.3.3. Challenges and tensions in social enterprises

Now that the fundamental abstract categorizations have been laid down, the study turns attention to the challenges and tensions found in hybrid organizations with a mixed business-charity mission. Battilana and Lee describe these challenges in a clear manner and provide two successive categorizations, first in Battilana, Lee, Walker and Dorsey (2012), and then in Battilana and Lee (2014). These two models do not differ significantly, although the most recent one is slightly more comprehensive and introduces the concept of 'hybrid organizing', very useful for the purpose of this thesis.

In Battilana, Lee, Walker and Dorsey (2012), the 'hybrid ideal' reportedly faces four types of challenges, pertaining to the areas legal structure, financing, customers and beneficiaries, and organizational culture and talent development. In Battilana and Lee (2014), social enterprises are found confronting both external and internal tensions. The external ones are mainly the search for legitimacy and the process of acquisition of tangible resources, such as financial capital. The internal tensions, instead, include the development of a hybrid identity, the allocation of limited resources among activities that satisfy commercial and social welfare goals, and the preservation of their hybrid nature, as one form is likely to gain dominance over the other over time. These tensions ought to be managed through 'hybrid organizing' capabilities, at play in five key areas of organizational life:

1) Organizational activities;

2) Workforce composition;

3) Organizational design;

4) Inter-organizational relationships;

5) Organizational culture.

Hybrid organizing (HO) is defined in the paper as "the activities, structures, processes and meanings by which organizations make sense of and combine aspects of multiple organizational forms" (Battilana & Lee, 2014, p. 398). HO is fundamental in this study because it encapsulates in a single concept the extensive *corpus* of issues a manager has to cope with in a hybrid organization. Therefore, it will be used extensively in next sections.

2.3.3.1. Organizational activities

The first area of organizational life that needs to be managed effectively in order to reduce tensions relates to the specific set of activities in which the organization engages; that is, its operations. Here the most relevant factor is the degree of integration between economic and social activities, already covered in the paragraph about beneficiaries and customers. The distinction is between organizations that integrate social activities at their core (integrated hybrids) and the ones that leave them at the periphery (differentiated hybrids). As stated before, integrated activities offer several advantages, including easier allocation of human, financial and attentional resources, and reduced risk of mission drift (Battilana & Lee, 2014).

Advices coming from the recent literature state that:

"Entrepreneurs leading social enterprises should:

- Design business models that align financial and social goals as closely as possible to minimize trade-offs and reduce frictions;

- When trade-offs must be made, prioritize financial goals over social ones to maximize the long-term sustainability of the business" (Rottenberg & Morris, 2013, no pagination).

Organizations with integrated activities are closer to the 'hybrid ideal' and less likely to face serious tensions, potentially capable of harming their survival. Unfortunately, this is not an option available to all hybrid organizations.

2.3.3.2. Workforce composition

Another potential source of conflicts is the collection of individual actors within the organization. Social enterprises operate both in the social and commercial sector, and this generates questions regarding the recruitment process. Given the marginality of hybrid organizations in the global economic world, it is particularly difficult for them to hire 'hybrid individuals' (i.e. people with a previous experience in a hybrid organization, thus holding a hybrid institutional logic). There are, therefore, two options left for hybrids when it comes to employ: 1) hire people from both social and economic background and make them work together effectively; 2) hire people relatively inexperienced, yet to be socialized in either of the two logics, and develop homegrown 'hybrid professionals'.

These two hiring strategies are labelled respectively 'mix-and-match' approach and 'tabula rasa' approach. The mix-and-match approach prioritizes individual capabilities whilst the tabula rasa approach emphasizes socializability (Battilana & Dorado, 2010). Case studies analyzed by Battilana and Dorado show that the trade-off between the two approaches is essentially about growth. The mix-and-match strategy may lead to faster growth but also to "paralyzing tensions between subgroups" (Battilana & Dorado, 2010, p. 1432). On the other hand, the tabula rasa approach may "facilitate the development of a common identity among organization members" (Battilana & Dorado, 2010, pp. 1432-1433), yet hampering growth in the beginning. In a sense, the choice is also between competencies and 'mindset virginity'. Undoubtedly, both approaches require an effort by the organization to deliberately 'socialize' the workforce; that is, shaping the organizational culture and identity to reach a homogeneous and collaborative work environment. This issue will be covered in paragraph 2.3.3.5.

2.3.3.3. Organizational design

The third dimension of hybrid organizing is organizational design, further disaggregated into formal organizational structure, incentives and control systems, and governance.

2.3.3.3.1. Organizational structure

Organizational structure may be troublesome mainly on two levels: operational and legal.

From an operational perspective, social enterprises, which have to perform both business and charitable activities, are very likely to incur in trade-offs between conflicting goals. The frequency and nature of these trade-offs, as well as the organizational location where decisions about such trade-offs are made, is strongly affected by structure (Battilana & Lee, 2014). The two alternative options available to social enterprises are: assigning both kinds of activities to the same organization members, or compartmentalize them into different sub-units. Obviously, the choice is made according to the nature of operations (whether they are integrated or

differentiated) and to the characteristics of the workforce. In case the organization decides to adopt a compartmentalized organization structure, a crucial need arises within the organization itself: the creation of 'relational spaces'. These areas of isolation, interaction, and inclusion allow managers and employees belonging to different hierarchical levels to maintain a view of the 'big picture' (Kellogg, 2009); that is, relational spaces complement the compartmentalized structure, preventing it from becoming a mere sum of watertight sealed sub-units.

The other relevant dimension of organization structure within 'hybrid organizing' is legal. From the initial moment of incorporation, social enterprises face difficulties to give their organizations an adequate legal form. This is due to the lack of specific legal forms designed for hybrids in most jurisdictions around the world and to the unsuitableness of traditional profit and nonprofit legal forms. The issue is represented clearly in the following quote:

> "The backward, old law forces a founder to choose between two equally inadequate categories. If she forms a for-profit, particularly a for-profit corporation, shareholder primacy will force her to single-mindedly focus on profit, with no way to protect the social mission of the entity or its founders. If she forms a nonprofit, this social vision can be protected, but business strategies, especially equity capital, are foreclosed. These mutually exclusive legal categories, the story goes, prevent social enterprises from pursuing mutually reinforcing commitments to profit and social good" (Reiser, 2012, p. 683).

Fortunately, now some new legal forms are available to founders: the 'low-profit limited liability company' (L3C), the 'benefit corporation', the 'benefit LLC', the 'social-purpose corporation', and the 'flexible purpose corporation' (FPC) in the United States; the 'community interest company' (CIC) in United Kingdom.

L3C, benefit corporation, and FPC add a social mission to an established for-profit legal form. Some significant characteristics distinguish each form from the other:

- The L3C structure provides the flexibility to balance social and financial objectives, but it leaves to the corporate governance large freedom on how to pursue this blended goal. If an L3C does not comply with its social mission, it automatically transforms into an ordinary LLC (Reiser, 2012).
- The benefit corporation has the peculiar feature that its impact in terms of general public benefit is measured by a third-party standard, developed by a transparent, independent entity (Reiser, 2012).
- The flexible purpose corporation, instead, does not resort to third-party standards; its founders select one or more special purposes, and the intention to pursue these special purposes is declared in the articles of incorporation (Reiser, 2012).

The CIC legal form is more effective in preserving the social purpose of the organization as compared to the other forms. It is the result of some strict regulatory requirements: prohibition from transferring assets into private hands, cap to distributable profits, and primary responsibility of its management to the social purpose (Ebrahim, Battilana & Mair, 2014). Consequently, the CIC structure provides less flexibility while decreasing significantly the risk of mission drift, which is not legally solved by the other structures. In L3Cs, benefit corporations, and FPCs the responsibility to pursue also the social purpose is not enforceable, but simply delegated to the voluntary decisions by executives and board members.

In conclusion, both the operational and legal dimensions of organizational structure affect tensions in hybrid environments. Therefore, an accurate planning of legal form, articles of incorporation, sub-units, relational spaces and so on, is required in social enterprises to minimize potential frictions.

2.3.3.3.2. Incentives and control systems

An important subset of decisions to be taken within the organizational design relates to systems to control and incentivize managers and employees. In order for an organization to operate according to the traits of efficiency and effectiveness, behaviors – and outcomes of such behaviors – need to be measured and rewarded (Ebrahim, Battilana & Mair, 2014).

The critical problem, however, is in the inherent difficulty of assessing the degree of achievement of a social goal. For financial goals, well-established measures exist, based on standardized definitions and formulas, which also make comparability across industries and timespans possible. Standardized and universally recognized measures of social performance do not exist yet, or at least they are not dominant enough to represent a standard. As a result, boards and managers have to rely on few benchmarks, with the inevitable loss of precision and external legitimacy of these evaluations.

A negative consequence of this low reliability of social measures is in the relation with external private stakeholders (either investors or not). As pointed out by Kellogg (2009), an external private stakeholder, in order to enforce social-good prioritization, needs to have access to information about decision making, outcomes, voting or litigation rights (if he/she feels the organization has gone off track), and incentives to engage actively in enforcement (rather than passively judge results).

The credibility – both internal and external – of the hybrid depends, then, on the quality of its managerial practices for measuring and rewarding performance. Unsurprisingly, a solution for social enterprises is to link incentives to key performance indicators (KPIs) that weight business performance and social performance

(Ebrahim, Battilana & Mair, 2014). Here, again, it gains relevance the distinction between differentiated and integrated hybrids. And as usual, integrated hybrids appear to hold an advantage against differentiated ones. The latter, in fact, must evaluate the two performances separately, incurring in the difficulties exposed above when it comes to social outcome gauging. On the other hand, integrated hybrids' management only needs to monitor that revenue-generating activities result in the intended social outcomes and do not deviate from it; if this holds, social performance is strongly linked to financial performance, in a relationship of direct proportionality, simplifying the task of controlling and incentivizing.

2.3.3.3.3. Governance

Joint accountability to both social and economic objectives is the key driver of tensions in governing a hybrid organization. This joint accountability is exposed continuously to the influence of investors, other stakeholders, employees, managers, customers, beneficiaries. Resisting to all these threats is a tough assignment, entitled to the third dimension of hybrid organizing: governance.

Boards play a key role in governance in general and in particular to withstand pressures to drift toward either social or economic objectives at the expense of the other (Ebrahim, Battilana & Mair, 2014). Two specific features of boards deserve further attention – composition and processes.

Board composition, intuitively, generates the same questions as workforce composition. Should hybrid organizations look for board members who have a 'hybrid institutional logic' (if they exist)? Alternatively, they could try to 'socialize' board members coming from one of the two conflicting institutional logics. In addition, hybrids could even split the board in two halves, filling half positions with financially minded individuals and half positions with people from a social background. The last option would then create the necessity of a 'relational space' (see paragraph 2.3.3.3.1. for definition) for these two souls of the board to cooperate effectively and collaborate towards a common purpose. Ultimately, the concepts of 'mix-and-match' and 'tabula rasa' approach apply also in this context if we slightly stretch their meaning.

Decision-making processes are usually a consequence of the board composition. However, a conclusion that can be drawn confidently after the discussion of the previous paragraphs is that governance processes in hybrid organizations must be transparent and inclusive, both to internal and external stakeholders. The reasons guiding decisions must be spoken clearly, the potential and actual effects of strategies and activities must be communicated, and the status of missions' accomplishment must be revised relentlessly. Whatever the board composition and the individual background of its members, processes governing its functioning must have these features, in order to pursue effectively 'hybrid organizing'.

2.3.3.4. Inter-organizational relationships

Hybrid organizing deals also with external relationships organizations enter into and other aspects of their environment. These external relationships to be managed mostly mirror the basic activities that every firm has to perform, usually represented in Porter's value chain model (Porter, 1985). Among the nine activities included in the value chain, 'operations', 'firm infrastructure', and 'technological development' deserve particular attention, since they are the source of the most critical relationships.

Operations for social enterprises sometimes call for outsourcing relationships. A good example is represented by the 'buy one, give one' industry. In this industry, the social enterprise commits to donate a product (to the developing world, for instance) for every product it sells (Battilana & Lee, 2014). In some cases, the company does not undertake the donation on its own but outsources it to another enterprise – either social or not.

Firm infrastructure is a broad category that includes, among the others, finance. Perhaps, the relationships with providers of financial capital are the most important. Financial solutions available to hybrids are increasing in number and in quality, because of advancing financial innovation. Traditional forms like equity and grants are, of course, an option; though the access to them depends on the legal structure selected by the founder. However, new forms of financing are now gaining importance: quasi-equity debt, convertible debt, securitized debt, pooling funds, and social impact bonds (Bugg-Levine, Kogut & Kulatilaka, 2012). All of them require new managerial competences to be exploited properly.

Finally, technological development assumes relevance especially for social enterprises that pursue objectives of social impact innovation and sustainability. NPOs are turning to the for-profit world to complement their traditional sources of funding (Dees, 1998). Similarly, social enterprises that are often small-sized and lack the 'deep pockets' needed for financing long and expensive innovation processes, look at the for-profit companies to fund their technological development. Therefore, external relationships such as joint R&D with big corporations are common and even beneficial from a societal point of view.

The core issue that associates all these kind of inter-organizational partnerships in the peculiar case of social enterprises is the selection of partners. Pursuing a social mission imposes to the management prudence – and even wariness – in the task of choosing companies to collaborate with. The risk is to enter into agreements with organizations that do not perform their activities in a responsible, ethical, and sustainable way, thus damaging reputation. On the other hand, sometimes collaborating with such companies may lead anyway to a positive social impact, for instance through the development of a breakthrough innovation that helps solving a social problem felt in the developing world. The hard dilemma that CEOs and managers of social enterprises have to

face, then, is rather philosophical in its formulation but definitely practical in its consequences: with whom can my organization team up without losing sight of its moral and social commitments?

2.3.3.5. Organizational culture

The last, though definitely not least, area of organizational life that requires 'hybrid organizing' skills is organizational culture.

The presence of a universally shared organizational identity is crucial in a social enterprise, in order for it to be sustainable. A common identity, indeed, may prevent the formation of subgroups within the organization, assuming that it is a good balance between the conflicting logics the firm combines (Battilana & Dorado, 2010). The risk lies in the burst of a feud between subgroups holding different identities, potentially able to paralyze activities of the organization.

Organizational socialization is defined as "the process by which an individual acquires the social knowledge and skills necessary to assume an organizational role" (Van Maanen & Schein, 1979, p. 3). This process implies policies that are designed to teach and reinforce desired behaviors and values in personnel. Drawing from two case studies of commercial microfinance organizations in Bolivia, Battilana and Dorado (2010) propose two different approaches to 'socialization'.

The two approaches are 'end-focused' and 'means-focused'. The first approach, reportedly used by Banco Solidario (Bancosol), is based on socialization processes and systems whose focus is on the goal pursued by the organization. In other words, the management is more concerned with communicating the mission to organizational actors and less concerned about developing a dominant and common institutional logic. The rationale behind this strategy is that if employees buy into the mission wholeheartedly, their logics will progressively and smoothly align – and eventually merge in a common hybrid one. Real life, however, says that this approach "failed to prevent the emergence of an intractable identity conflict between carriers of the development and banking logics as they grew into subgroups increasingly intolerant of their differences as to the appropriate way to serve this mission" (Battilana & Dorado, 2010, pp. 1433-1434). This example shows that sometimes pursuing a common purpose does not imply necessarily embracement of the same logic or agreement about the way to accomplish the mission.

The alternative approach is labelled means-focused. It was reportedly used by Caja de Ahorro y Prestamo Los Andes (Los Andes), and it was based on socialization processes and systems focused on fostering commitment to the means used to accomplish the mission, rather than on the mission itself, as it was the case for Bancosol

(Battilana & Dorado, 2010). The result was the creation of a common organizational identity based on operational excellence, which in turn prevented the emergence of identity clashes between subgroups. The whole process of training, standardized across the organization – also thanks to the homogeneity of relatively inexperienced hires – precluded the formation of distinct subgroups. The real life outcome of this approach was a closely-knit group of employees, rowing in the same direction for the benefit of Los Andes, and ultimately for the superior good of providing loans to low-income entrepreneurs.

The challenging present of hybrid organizing has now been analyzed extensively. For what concerns its future, Battilana and Lee envision it as follows:

> "The rise of hybrid institutions that support social enterprise, such as social enterprise legal forms, impact investing, and professional training programs that prepare individuals specifically for employment in social enterprises, may decrease the need for hybrid organizing" (Battilana & Lee, 2014, p. 421).

Currently, however, the need for hybrid organizing is still high and issues to be dealt with as pressing as never before.

Area of organizational life	Sub-area	Critical challenge	Available options/approaches to face the challenge
Organizational activities		Trade-offs/allocation of resources	Differentiated model
			Integrated model
Workforce composition		Hiring/recruiting	Mix-and-match
			Tabula rasa
Organizational design	Organizational structure	Operational	All activities to same organizational members
			Compartmentalization in sub-units + relational spaces
		Legal	Traditional for-profit/nonprofit forms
			Hybrid forms (where available)
	Incentives and control systems	KPIs weighting both business and social performance	Separate evaluation of performances (differentiated)
			Joint evaluation of performances (integrated)
	Governance	Board of directors' composition	Mix-and-match
			Tabula rasa
Inter-organizational relationships		Selection of partners for:	
		Outsourcing	'Buy one, give one'
			No outsourcing
		Financing	Traditional forms
			New forms
		Technological development	Self-reliant
			Joint R&D
Organizational culture		Common identity through 'organizational socialization'	End-focused
			Means-focused

Figure 6. Framework to analyze managerial challenges in social enterprises. Source: own elaboration.

3. Methodology

The approach to the relationship between theory and research embraced in this study is primarily inductive. As Bryman and Bell (2015, p. 25) explain, "With an inductive stance, theory is the *outcome* of research" rather than the opposite, as it the case for deductive research. The inductive process implies drawing conclusions out of empirical data, in the form of generalizable inferences supported by observations. Such process, however, is inherently iterative and involves recurring revision of the theory developed in light of the new data collected. Therefore, the author of this study has revised many times the theoretical framework presented at the end of the second chapter (Figure 6), because of the managerial challenges individuated as most relevant during the interviews. In addition, a deductive step has been part of the research process as well; that is, the use of existing theory as a comparison term for the empirical findings. Despite this minor influence of the deductive approach, the study remains mainly inductive.

If we were to follow the categorization introduced by Mantere and Ketokivi (2013), this thesis would be considered an 'inductive case research', thus involving theory developed in a data-driven manner using qualitative data, often taking a grounded theory approach.

Ultimately, this is an exploratory study undertaken with an inductive approach, whose main purpose is to generate theory out of data collected in a particular organizational context, Plantagon International. Thus, the level of analysis is on organizations, in terms of the SOGI model (societies, organizations, groups, and individuals), and the organization is the "primary unit of measurement and analysis" (Bryman & Bell, 2015, p. 75) in this thesis.

3.1. Research strategy

Research strategy, in its easiest definition, is simply "a general orientation to the conduct of business research" (Bryman & Bell, 2015, p. 37). The most common and acknowledged categorization of strategies for business research distinguishes between quantitative and qualitative studies. The general orientation taken on by the author of this thesis is a qualitative one. This strategy, generally, puts more emphasis on words rather than numbers, both in the collection and in the analysis of data. Moreover, it is often associated to an inductive approach, more concerned with the generation of new theories, whilst the quantitative strategy more commonly tests existing theory (Bryman & Bell, 2015). The choice of using a qualitative strategy is motivated by two main factors: the characteristics of the topic under analysis, and the relative novelty of the field of study.

The research questions at the basis of this study are designed for investigation through qualitative data and not through numerical data. This thesis analyzes the managerial challenges and the subsequent practices found in a social enterprise with unique features as Plantagon International is. Furthermore, the exploratory nature of the study best fits with a qualitative research strategy, since there are no hypotheses or models found in the academic literature to be tested.

In conclusion, the uniqueness of Plantagon and the absence of sizable literature in the field of study about social enterprises and their managerial habits led the author to adopt an inductive approach. Consequently, a qualitative research strategy has been picked.

3.2. Methodology applied to literature review

The literature review has been carried out in the previous chapter for an obvious reason: to present what is already known about the area of interest of the thesis, in order to avoid redundancy of findings or 'reinventing the wheel' (Bryman & Bell, 2015). It was, in fact, extremely useful to the researcher and to the reader as well, because it clarified that the peculiarities found in Plantagon are not covered by any article or paper; therefore, a significant gap to be filled in the literature exists and the purpose of this study is to do so. Another important reason underlined by Bryman and Bell (2015) for conducting a literature review is to help the researcher to develop an analytical framework. In this issue, the work by scholars such as Austin, Seitanidi, Battilana, Lee and Dorado, proved essential for understanding which organizational activities to focus on in this study and which alternative approaches are available to social enterprises' management.

After the identification of the research topic, keywords were selected for searching on various databases, also following advices from both supervisors. These keywords included, among the others, 'hybrid organizations', 'social enterprises', and 'institutional logics'. Such keywords have been tested on several databases, although the main part of the review has been conducted through Google Scholar. In addition, many relevant papers were either suggested by the supervisors (e.g. Siggelkow, 2007) or found in the references of other academic articles part of the review. As a rule, articles and publications have been prioritized according to three criteria:

- Relevance and usefulness for the purpose of the study;
- Number of citations;
- Source (i.e. reliability and importance of the publishing journal).

Despite these general criteria in the selection of secondary data, some subjectivity has been involved along the literature review process, especially regarding the choice of models among the various alternatives presented.

The author has selected the model from Austin & Seitanidi (2011) and the one from Battilana & Lee (2014) because they were considered more complete and appropriate for the purpose of this study. The researcher is well aware that this fact might reduce objectivity; it is indeed one of the biggest challenges when writing a thesis or a piece of research. In any case, it is one of the tasks entitled to the author, and objectivity has been preserved as much as possible by motivating the choice of a specific model among a set of available alternatives, without preconceived biases. Full and immaculate objectivity is never really an option in research in the field of social sciences.

3.3. Research design

The research design selected for this thesis is the single case study. Its main characteristic is the focus on a bounded situation or system, where the emphasis in upon intensive examination of the setting (Bryman & Bell, 2015). The choice of this research design was motivated by the purpose of this study: gathering a deep understanding of the complex and particular organization analyzed in order to provide a contribution to the incomplete *corpus* of literature regarding social enterprises. The single case study, in this thesis, is focused on the Swedish 'companization' Plantagon International, a label that comprehends both Plantagon International AB and Plantagon Non-Profit Association. More specifically, the study takes the form of a 'revelatory case', following the distinction between different types of cases operated by Yin (2003).

If, on one hand, this research design offers the undeniable advantage to the researcher to be able to elucidate the organization's peculiarities in-depth, on the other hand it creates problems of reliability, replicability and generalizability. The latter issue, in particular, deserves a brief clarification. Generalizability (also labelled external validity) is "concerned with the question of whether the results of a study can be generalized beyond the specific research context" (Bryman & Bell, 2015, pp. 50-51). A relevant role in this issue is played by the claims that the researcher itself does; here, the author of the study does not claim any theoretical generalizability on the basis of the case. The reason is simply that the interest of the study is to grasp every detail of the peculiar situation of a new-to-the-market organizational structure like the companization. Since this structure is not common in general, and uncommon even in the social enterprise landscape, very few (if any) organizations encounter the same dilemmas, the same challenges and face them in the way Plantagon does. Therefore, *ex ante* it must be recognized that the potential generalizability to other organizations of the theory developed along this study is rather limited, or at least it is circumscribed to a small subset of hybrid organizations showing the same unique features as Plantagon.

The selection of a single case study research design on a particular organization, instead of relying on random sampling, is motivated by the fact that this organization has special characteristics that allow one to gain certain insights that other organizations would not be able to provide (Siggelkow, 2007). Plantagon is a *unicum*, a 'talking pig' (Ramachandran & Blakeslee, 1998; Siggelkow, 2007), and it has the potential to complement the existing knowledge in a relatively recent field of study – such as hybrid organizing and social enterprises – with a phenomenon yet to be investigated: the reverse stream of capital between for-profit and nonprofit sides of a social enterprise.

In conclusion, despite its lack of generalizability, the single case study appears the most appropriate option to deal with the research questions under analysis, since it allows a deep investigation of Plantagon without overlooking relevant aspects of its managerial challenges and practices.

3.4. Research method

Bryman and Bell (2015) define a research method as simply a technique for collecting data. Many different methods exist and are available to a researcher for data collection, such as self-completion questionnaires and participant observation. However, as underlined by Bryman and Bell (2015), the interview is the research method most widely employed in qualitative studies, partly due to its flexibility. Indeed, as stated in paragraph 3., this flexibility was necessary in order to adjust the emphasis in the research – namely, in the list of managerial challenges to focus upon – as a result of significant issues that emerged in the course of interviews.

In order to achieve the highest possible degree of flexibility while keeping sight of the purposes of the study and avoiding unintended shifts, a semi-structured method of interview was selected. When carrying out semi-structured interviews, "the researcher has a list of questions on a fairly specific topics to be covered, often referred to as an interview guide, but the interviewee has a great deal of leeway in how to reply" (Bryman & Bell, 2015, p. 481). This method proved particularly useful in analyzing the area of organizational culture, since the clear picture about individual perceptions from the interviewees emerged when they were left free to go off at tangents. The interview guide is provided in Appendix B for the reader to better understand the details of the data collection process, and to preserve replicability of the study.

In the collection of data from Plantagon's personnel, three semi-structured interviews were undertaken to gather information regarding the challenges encountered in the five areas of organizational activities, workforce composition, organizational design, inter-organizational relationships, and organizational culture. Across the interviews, a general guide has been followed, although some areas have been analyzed more in-depth with particular interviewees, due to the job they hold. Just to provide some examples, organizational culture has been

central during the interview with the Office Manager, given her across-the-board point of view and her relative long-lasting employment at Plantagon. Another example is represented by the topic of inter-organizational relationships related to R&D activities, mostly discussed with the Sustainability Strategist of Plantagon.

The empirical findings were collected by interviewing the following employees:

- <u>CEO, Owe Pettersson</u>: This was a rather general initial interview; however, he was asked specifically about mission, vision, legal aspects, workforce composition, governance, and organizational conflicts. Interviewed 27/02/2017 (108:51).
- <u>Office Manager, Sara Öst Grundemark</u>: She was asked about organizational culture, socialization practices, control and incentive systems, and operational structure. Interviewed 21/03/2017 (76:58)
- <u>Sustainability Strategist, Sepehr Mousavi</u>: He was asked about Plantagon's technology, strategy for sustainability, external relationships for R&D, organizational culture, the standardization project and the Annual Meetings. Interviewed 11/04/2017 (86:20).

It must be admitted, however, that three is quite a small number of interviewees. The reason behind such a little amount of respondents is that the small size of the organization did not leave much choice to the author. Two other personalities from Plantagon were contacted to arrange an interview – Mr. Hassle (Secretary General), and Mr. Ramakrishnan (Global Business Development Director) – but they were either too absorbed in their job and in business travels around the world or not in Sweden during the whole research process (and not available for a Skype interview). Ultimately, the small number of interviews was a forced decision, which negatively affects the amount of different perspectives included in the findings and in the analysis.

3.4.1. Data analysis

Analysis of gathered data is a crucial task to perform in order to highlight important findings and be able to compare them against the theory, thus drawing conclusions. Therefore, the task has been carried out following a general strategy of qualitative data analysis, defined simply as "a framework that is meant to guide the analysis of data" (Bryman & Bell, 2015, p. 581).

For the purpose of this study, a grounded theory approach to data analysis has been chosen. The main reason behind this choice is the exploratory nature of this thesis, whose aim is to generate theory out of a single case study. Grounded theory was first introduced by Glaser and Strauss (1967), and was later object of multiple revisions by the authors themselves and by most of the academic world. According to Bryman and Bell (2015), this strategy of qualitative data analysis has two central features: first, it is concerned with the development of

theory out of data; second, its approach is *iterative*, thus meaning that data collection and analysis proceed together, referring back to each other along the study.

In this case study, the author abundantly resorted to 'constant comparison', an aspect of grounded theory that was considered prominent by Glaser and Strauss (1967). Constant comparison refers to "a process of maintaining a close connection between data and conceptualization" (Bryman & Bell, 2015, p. 585). The researcher, here, has developed a conceptual framework based on the extensive literature review carried out, entailing few categories. Then, data from the interviews have been analyzed always referring to this conceptual framework, distinguishing findings and allocating them to the different organizational areas, sub-areas, critical challenges, and approaches available to face the challenge, depending on which ones they belonged to. Continuously referring back to the theoretical model, this has been updated constantly with different approaches found in the real life case, alternative to the ones individuated by other scholars. Data, therefore, has been assessed with two purposes in mind. First, try to trace it back to theoretical findings in order to gauge to what extent a special case like Plantagon makes use of 'traditional' practices in solving its challenges. Second, data appearing incompatible with previously identified categories (or concepts within categories) has been assembled in brand new concepts, mostly in the form of new 'approaches to face a specific managerial challenge'. This latter activity eventually led to the emergence of an own theoretical contribution, namely 'substantive theory', defined as "theory in a certain empirical instance or substantive area" (Bryman & Bell, 2015, p. 586).

3.4.2. Validity

The research design selected – the single case study – together with the grounded theory approach oriented to *substantive theory* generation negatively affects the external validity of this piece of research. A single case, in fact, cannot be representative so that it yields findings with the potential to be applied more generally to other cases (Bryman & Bell, 2015). Therefore, the outcomes of this research are to be considered necessarily related to the specific context of Plantagon International and hardly generalizable, unless referring to other social enterprises operating in a similar industry, competitive environment, and showing the same peculiarities (i.e. 'reverse stream of funding').

Nevertheless, the conceptual framework in its raw form, as presented at the end of Chapter 2, represents a useful tool to frame hybrid organizations of any kind, and to sort them on the basis of their managerial practices. According to the author of this study, although generalizability of the findings of the case study is extremely limited, the theoretical model developed has the potential to prove useful in recognizing patterns and common organizational behaviors across the variegated world of hybrids.

3.4.3. Reliability

Another important quality criterion to be considered in business research is reliability; it is concerned with the question of whether the results of a study are repeatable (Bryman & Bell, 2015). Although this criterion is more at issue when conducting a quantitative research, it still gains relevance in studies with a qualitative nature, especially for what concerns *replicability*. In order to preserve replicability and reliability of the study in general, procedures followed have been spelled out in great detail, including the interview guide provided in appendix, the clear schedule of interviews conducted as well as the company and employees' names and corporate positions. Therefore, if in the future a researcher decides to replicate the present study, for instance because results do not match evidence found in other studies, the author is confident that very similar data and conclusions will be found – as long as the organizational context of Plantagon (i.e. size, structure, people employed etc.) will remain the same.

In addition, every interview has been tape-recorded with the interviewees' expressed consent, with the aim of reducing biases in the transcription process. The interviews, partly conducted at Plantagon's office in Stockholm and partly over Skype, were always taken in quiet environments and one-to-one, allowing for complete attention and follow up questions in the discussion. Finally, *respondent validation* has been pursued constantly, rephrasing interviewees' answers in clearer and shorter statements and asking them for confirmation about the findings and their interpretation by the interviewer. This way, misinterpretation of answers has been avoided, together with mistaken conclusions based on that evidence.

3.4.4. Undertaken research

The process of data collection, as mentioned above, has involved conducting interviews, both face-to-face and via Skype. This paragraph is intended to describe more in detail the research process, especially how the author has gone 'into the field' to gather new knowledge about the companization.

The initial contact with Plantagon was provided by Mr. Per Östling, inspirer and advisor working at The( )Space. The( )Space is "a concept aimed at filling the gap between the academy, the business sector, the public sector, the cultural sector" (First To Know Scandinavia AB, 2017). It does so by inviting students on different levels, partners' employees, users, customers, citizens, members, etc. to participate in bridging that gap, thus complementing the so-called innovation system. In other words, The( )Space connects companies with challenges to be faced – mostly related to sustainability and social impact – with students interested in studying those issues, for their thesis or any other academic project. Since Plantagon is a partner of The( )Space and

Plantagon's CEO is a long-time friend of Mr. Östling, it was easy to get in contact with him by e-mail. The first contact was on February 2, when the researcher approached Mr. Pettersson with an initial e-mail, to introduce the research topic and propose a collaboration for the Master thesis. Mr. Pettersson showed interest, availability and enthusiasm from the very beginning of the process. Indeed, a first meeting was arranged for February 27, to be held face-to-face in Plantagon's office located in Stockholm. Interestingly, the office is exactly in front of Sweco's corporate office (Sweco is one of the crucial partners for Plantagon). This meeting consisted in an initial introduction of the research project, followed by a brief history of Plantagon, then going deeper in the investigation of managerial challenges faced by the CEO and in his common practices. The opportunity to visit Plantagon's headquarters was also important to get a sense of the environment they work in, although most of the conversations among employees and managers were in Swedish language, thus impossible to understand for the researcher.

The second interview, instead, was conducted over Skype on March 21 with the Office Manager at Plantagon, Ms. Sara Grundemark. A personal contact was already built during the first visit to Stockholm, since she is in charge of the guests' reception at Plantagon's HQ; follow up to the first meeting was done through constant (at least weekly) e-mails. During the interview, she as well showed kindness and availability in answering to the questions, on top of an enviable fluency in English that further eased interviewing. This interview was more focused than the previous one; with the theoretical framework and a general structure for the empirical findings already in place, it was easier to identify the gaps to be filled and the areas to investigate further. In addition, questions were specifically tailored for the occasion, based on the position she fulfills in Plantagon, as it is shown in the interview guide in Appendix B. More information about Plantagon were collected through e-mails with Ms. Grundemark, especially regarding relevant figures such as number of employees, revenues and turnovers, to be used in the introduction to the empirical findings to give a general picture of the organization and its size.

The third interview was conducted again face-to-face in Plantagon's HQ in Stockholm. This time the interviewee was Mr. Sepehr Mousavi, both Sustainability Strategist of the company and Board Member of the association. This interview was semi-structured as well, but in this case it was conducted following mostly the list of questions provided in Appendix B. In some particular issues, follow up questions were asked in order to deepen the understanding of the meaning of the answer provided. In addition, respondent validation was sought to ensure reliability of the findings. During this interview, differently from the previous ones, some recalling to findings from the other interviews was brought to the table; the aim was essentially to investigate consensus within the organization about previous findings, to further strengthen the accuracy of the findings themselves and of the discussion that follows from them. The last peculiarity of this interview consisted in the fact that Mr. Mousavi

was confronted with the definition of 'institutional entrepreneur' found in the academia (see paragraph 2.1.3.), and asked if and to what extent it resembles the personal traits of Mr. Hassle.

4. Empirical findings

This chapter presents findings from the interviews conducted with three relevant personalities from Plantagon International, including the Chief Executive Officer (Mr. Owe Pettersson) and the Sustainability Strategist (Mr. Sepehr Mousavi). The focus is on the five dimensions of 'hybrid organizing' identified in Battilana and Lee (2014), and especially on the critical challenges related to them and presented in Figure 6 at the end of Chapter 2. This chapter has been structured following Battilana and Lee's theoretical contribution, thus further anchoring the findings presented to the most relevant literature in the field. To begin with, however, the author presents a description of Plantagon International, to give the reader some insights about the organizational context, the dimension and the current status of its business activities. Most of the information presented in the 'General overview' can be found on Plantagon's website and on allabolag.se, Sweden's most popular online platform for anyone interested in learning more about Swedish companies.

4.1. General overview of Plantagon International

4.1.1. History
The Companization Plantagon was founded by Swecorp Citizenship AB and Onondaga Nation on the initiative by Hans and Karin Hassle, Oren R. Lyons (a recognized advocate of indigenous rights) and the innovator Åke Olsson on January 29, 2008. The relationship between Mr. Hassle and Mr. Lyons started in late 1990s when they became friends, since they were both focused on long-term business and the importance of managers changing their views on how to manage companies. After a while, Mr. Lyons asked Mr. Hassle if he knew any opportunity to diversify the business operations of Onondaga Nation, which relies primarily on selling tobacco. The opportunity was represented by a previous contact Mr. Hassle had with Mr. Olsson, an educated gardener and construction worker, blacksmith, mechanic and a farmer for 15 years, who had worked on conveyor belts for growing food in greenhouses. In fact, he had come up with the idea of shaping these conveyor belts around a stick, thus providing the initial concept for the helicoidal structure. This idea, then, became object of negotiation with Sweco AB, a Swedish company addressing sustainability, to try to understand whether it was technically feasible and energetically efficient. The discussion started in 2002; then it took six years to agree on how to proceed with this project together with the Onondaga Nation. Since the latter has a very democratic decision making process where women are especially important, it took Mr. Hassle six years to get the consensus to finally start the company in 2008.

Following the initial owners' directive – that is, how should the megacities of the world be fed in the future – Plantagon International engaged in market research and R&D in collaboration with Sweco to develop an innovative multifunctional solution. This eventually led Plantagon to operate in the field of 'Agritechture', a word resulting from the crasis of the terms 'agriculture', 'technology' and 'architecture'. Hans Hassle, co-founder and Secretary General at Plantagon described the organization's recent transition in a press release dated August 5, 2016:

> "Spring 2016 we concluded our transformation from being an R&D driven company towards being more design and real estate driven. Introducing technological solutions for feeding the city was our first step. Implementing how to build them into the city infrastructure is what we do now" (Mynewsdesk, 2016).

4.1.2. Mission, vision, values

Plantagon's mission is to deliver sustainable, effective and esthetical Agritechtural solutions for governments and private enterprises globally. Plantagon develops, implements and operates innovative Agritechture solutions, creating green spaces in urban environments while adding value to surrounding real estate. Plantagon's vision is to define a new industrial segment, Agritechture, and become the global leading Innovator, Implementer and Operator within this field. Plantagon's values are long-term perspective, short-term action, inclusive attitude and competitive ideas (Plantagon International AB, 2017).

4.1.3. The World Food Building in Linköping

An advice coming from Sweco during Plantagon's early stages of life was not to build a prototype, but rather to focus on brand building and to keep working on R&D to develop an integrated multifunctional solution. This decision proved right in so far as Plantagon's brand is relatively known worldwide. Meanwhile, however, Plantagon reached an agreement with the municipality of Linköping (Swedish city located 200 km from Stockholm) and the local energy company (Tekniska Verken) in 2012 to build a 65-yard tall office building, capable of producing 700,000 to 1,100,000 pounds of vegetables per year on the south façade. This project, called 'World Food Building' (WFB), will be the demonstration plant for the temperate zone, and was also awarded 'The International Architecture Awards 2016' by the Chicago Athenaeum and the European Centre for Architecture Art Design and Urban Studies, in July 2016. More than a prototype, that will be the *manifesto* of Plantagon's technology and business in general. Its design was in fact the result of a joint work with Sweco led by the Plantagon Chief Architect Alessio Boco, who leads the architectural design at Sweco Architects. Unfortunately,

the decision by Linköping municipality was appealed by a local environmental association concerned with bird protection, which claimed that if one has a high-rise building close to an artificial lake (which is a few kilometers behind this building) there is the risk that migratory birds might bump into that and die. Consequently, the project was not allowed to start in 2012. It took almost three years to go over the bureaucratic process (normal court, higher court and so on). Plantagon also had to update the façade with a more shiny material that has more visibility for animals, so that birds do not bump into the building that easy.

Swedish authorities, in the end, declined the appeal, and Plantagon got rid of the complaint. Now they have the detailed plan approved, and they are working on the last pieces of the financing. 70-75 percent of the financing is already in place, partly coming from banks, partly from owners' investment (Plantagon itself, Swecorp, Onondaga Nation), then local real estate owner in the area that is involved by the project, and finally social sustainability partners (Samhall for example, which is going to be the maintenance partner for the project). The remaining 25 percent will come from either private investors (most likely the companies that will rent the offices on the north side of the building, the side not occupied by the vertical farm) or crowdfunding. The actual construction will start as soon as the financing process is finalized. The owner of the WFB will be the real estate developer; Plantagon will probably rent and operate the greenhouse façade of the building to demonstrate its economic viability.

In the words of the Sustainability Strategist:

> "Our aim for this project, rather than making money out of it, is that we pilot our solution and from there we are going to market our solution somewhere else, with the licensing business model. It is only a showcase for Plantagon to show that our technology works".

It must be noticed, finally, that the delay of this project had a direct impact on Plantagon's profitability, leading to a three-year delay on the initial plan to reach black bottom line results.

Figure 7. Logo and renderings of the WFB. Initial structure of the project (spherical using the helix technology) on the left and new definitive structure on the right. Source: Plantagon International AB, 2017.

4.1.4. Technology

Plantagon has four innovations that have been protected with intellectual property rights. Therefore, patent applications are divided into four patent families:

- Conveying system, tower structure with conveying system, and method for conveying containers with a conveying system;
- Building for cultivating crops in trays, with conveying system for moving the trays;
- Method and arrangement for growing plants;
- Pot device and method related thereto.

The two main innovations by Plantagon are the helix conveying structure (protected by the first two patent families) and the mechanism to manage heat turbulence in the control environment. The patented transportation helix is so important because it allows maximizing the footprint usage ratio of the helix, minimizing the use of water and LED artificial lighting, and gaining as homogeneous light levels as possible. The other innovation by Plantagon helps ventilating the greenhouse, without the need to open up the control environment, as it is usually the case for other greenhouses. The heat turbulence, instead of being considered a problem, becomes an opportunity to capture surplus heat and use it to generate energy – a more resource efficient method. Moreover, another important feature of Plantagon's solution is its façade. The double layer makes it possible to maintain a controlled climate inside the greenhouse – avoiding the use of fans to keep the temperature constant, which would result in the growing of dried food instead of fresh food – and is at the same time very energy efficient. The double skin façade, however, was an already existing solution that has been used by Plantagon's Chief Executive Technical Officer before, in the Stockholm Waterfront project (which did not

involve Plantagon). It is considered necessary if one has a high-rise vertical farming building, but it is not a patented technology owned by Plantagon.

4.1.5. Business model and product creation process

In general, every product that Plantagon develops involves four main steps, to be performed in the following order:

1) **Conceptualization**, which includes concept development, high-level feasibility studies and implementation plans, and visualizations; this task is carried out together with Sweco AB.

2) **Configuration**, which includes detailed design, technical optimization, architectural plans/Building Information Modeling (BIM), operating model, and project/financial planning, again in partnership with Sweco AB.

3) **Implementation**, which includes construction, technical and operational setup, establishment of distribution/supply chain channels, and training; in this phase Sweco AB acts as project manager, and third party local engineering consultants and local construction company participate as well.

4) **Operation**, which includes day-to-day operations (supply chain, crop management and distribution), continuous improvement and quality control, sales, marketing and administration; here partners are usually third party facility management, property management and operations companies (in Sweden, plant operations are outsourced to Samhall AB, supervised by Plantagon).

At a corporate level, Plantagon does not assume any ownership of neither buildings nor equipment. Plantagon is assumed to be a developer and operator of urban farms, and receives a management fee and a performance fee when operating the plant. This may change from case to case, but it is the base assumption. Plantagon's business model is based on a combination of innovative Agritechture Products and Services related to development and implementation of these products. All projects Plantagon delivers fall under one out of four product categories, all with varying complexity: retro-fitting, extension, new building, and symbiotic system. Within the category of services, we find consultancy. Plantagon, in fact, assists cities and real estate developers offering know-how within the field of food security, food safety, new food standards, innovation, agritechture, urban farming and symbiotic systems.

A relevant trait of Plantagon's business model is licensing. Plantagon's long-term objective, indeed, is to license solutions to third party developers and operators, with compensation taking the form of a lump sum royalty, royalty based on volume of production (running royalty) or right to use licensee's technology (cross licensing).

4.1.6. Partners

The main partners of Plantagon are Sweco AB, Tekniska Verken, SymbioCity and Samhall AB.

Sweco AB is Sweden's largest consulting company in engineering, environmental management and architecture. The company is listed on the Stockholm Stock Exchange. Tekniska Verken is a regional company that aims to create an efficient community, sustainable in the long term. They have around 280,000 private and corporate clients who benefit from their products and services – electricity, water, district heating, district cooling, waste management, broadband and biogas (LinkedIn, 2017). SymbioCity is a network of Swedish companies and organizations, founded in 2008 on initiative by the Swedish Government and Swedish Industry. Its primary goal is to export Sweden's knowledge and experience with sustainable cities, assisting Swedish environmental technology companies with their international marketing by creating a common trademark (Business Sweden, SKL International, 2017). Samhall is a state-owned company with a mandate to create work for people with functional impairment causing reduced working capacity. Samhall mostly offers services in the areas of Cleaning & Laundry, Warehousing & Logistics, Workplace & Property Services, Care Services, Retail and Industry & Manufacturing, and conducts these business assignments as a sub-contractor, through manned solutions or via own production facilities (Samhall AB, 2017).

4.1.7. Figures from Plantagon International

In this paragraph, some relevant figures from Plantagon are briefly presented, mostly in order to give the reader a hint about its size and profitability. The latest available data is from 2015. At the time the author is writing this thesis, Plantagon International employs full-time five people (after reaching its peak in 2013 with eight employees), one intern and has 20 consultants. The non-profit association has reached 451 members, out of its long-term goal of 100,000 (Plantagon International AB, 2017).

The revenues earned by Plantagon dropped from 976,000 Swedish crowns (SEK) in 2011 to around 250,000 for years 2012 and 2013. The years 2014 and 2015, however, showed a significant recover in revenues with respectively 1,343,000 and 1,142,000 SEK. Nevertheless, the huge investments in R&D and market research performed by Plantagon did not allow so far having black bottom line results. In fact, from 2008 onwards the organization incurred in a loss every year, as shown in Figure 8 which also summarizes all the other important figures and helps understanding at first sight Plantagon's evolution. Negative results are shown in red, all figures (except number of employees) are in thousands SEK, and N/A is displayed when figures are not available.

Year	2008	2009	2010	2011	2012	2013	2014	2015
Revenues	85	226	38	976	253	258	1,343	1,142
EBIT	-632	-899	-6,880	-10,259	-12,407	-15,745	-12,628	-10,416
Net result	-584	-691	-7,000	-10,874	-10,437	-15,969	-14,371	-10,859
Total assets	1,995	8,395	36,762	115,174	115,566	60,933	51,146	40,716
Equity capital	1,896	7,963	27,663	82,367	71,929	55,960	49,688	39,016
N° of employees	N/A	N/A	N/A	4	6	8	5	5

Figure 8. Key financials for Plantagon AB. Figures in thousands SEK (except N° of employees). Source: UC Allabolag AB, 2017.

In addition to the financials, it is also important to point out that Plantagon owns a patent portfolio consisting of 34 patents and 34 pending, worth 850 million SEK according to the CEO.

Now, we finally move on to present the empirical findings of this piece of research.

4.2. Organizational activities

The first area of organizational life embedded in 'hybrid organizing' under investigation in this thesis relates to organizational activities. In particular, the focus of this paragraph is on a critical challenge commonly faced by social enterprises' management: trade-offs in resource allocation between the commercial and the social side of the organization. An additional focus, however, is on the individuation of customers and beneficiaries of Plantagon's activities, in the attempt to categorize it as either an integrated or a differentiated social enterprise.

It stands clear from the words of the Office Manager that Plantagon has a very small core business: providing architectural and technological solutions for vertical farming in urban environments, either retrofitting empty areas of existing real estate, adding an extension to existing buildings in the form of a double skin façade or devising brand new buildings. The outer reach of Plantagon's business is the 'Symbiotic System', which combines municipal infrastructure such as cooling/heating, biogas, waste/water management and energy production, and it is able to use the 'waste' generated from the municipal functions to create a highly efficient growing system (Plantagon International AB, 2017). It was an owners' directive, from the beginning, to address the problem of how should the megacities of the world be fed in the future. Hence, Plantagon's projects are concerned mainly with sustainability of cities, in terms of food, energy, and water. The global approach is, in the words of the CEO, towards providing "FEW for many", an acronym that encapsulates food, energy, and water. The focus so far, and thus the core business, has been on food – what the CEO calls the "greenhouse business". The next focus, in the company's plans, will be on energy, and specifically on hydrogen.

Plantagon operates in a niche connected to long-term city planning, which will be open and profitable for ten years at least, according to the CEO. This niche is extremely valuable to Plantagon, and "if you can copy that niche – as we can – to any market, any city, part of a city, in the world, you have a pretty strong case then to do good business", still according to the CEO. The future appears bright for Plantagon's business, especially because in the last years the investments and the activities have been directed successfully towards laying the appropriate groundwork. In fact, the main areas of activity by Plantagon in its first years of existence have been R&D, patenting, brand building, and market research/creation. The latter, in particular, through a huge network of institutional actors and academic collaborations, with the municipality of Linköping and with the Nanyang Technological University situated in Singapore, just to mention two.

R&D activities were carried out in partnership with Sweco, a big company now employing 15,236 people (Bureau van Dijk, 2017; updated to 2016), and the outcome is a patent portfolio covering Asia, Australia, Europe, some countries in South America, North America, Russia, and many countries in Africa, with four patent families. In total, Plantagon owns 34 patents and 34 still pending, worth 85 million euros according to Mr. Pettersson. Brand building activities also were relatively successful according to the CEO, and now Plantagon is a brand known worldwide, even more than it is in Sweden.

Another important project Plantagon is working on concerns the development of standards. In fact, they are now "authorized to write standards for food production in cities in Sweden" (CEO's words), in collaboration with the Swedish Institute for Standardization (SIS). Moreover, the Sustainability Strategist who is in charge of this project – Sepehr Mousavi – is connected to the European Committee for Standardization (CEN) on a European level, and to the International Organization for Standardization (ISO) on a global level. In fact, Mr. Mousavi chairs the national technical committee of SIS on Sustainable Urban Food Production, and is the chair to SIS national technical committee on Sustainable and Smart Cities and Communities. Moreover, he works with CEN on Smart and Sustainable Cities and Communities platform, ISO and IEC joint committee (JTC1) on Smart Cities and holds a chair with ISO as technical committee member on Sustainable Development in Communities.

In Mr. Pettersson's words, "the knowledge that we have developed will be the basis for standard for food production in cities in the future". Mr. Mousavi is actively contributing to embed Plantagon's knowledge in an internationally recognized standard.

The rationale behind this standardization initiative is to develop guidelines, frameworks and certification systems in three main areas: definitions and terminology (already developed standard), sustainability of the growing system and safety of the food produced, and urban agriculture strategies for municipalities and real estate owners (these latter two yet to be created). The technical committee hosted by SIS that works on these standards

was first financed by Plantagon and includes people from universities, public authorities, and other private companies. Sweden, as explained by Mr. Mousavi, is the only country in the world having a technical committee for sustainable urban food production and consumption in its standardization agency.

Mr. Mousavi's approach to this project is rather different from the other people attending these technical committees, he states. This reflects the different approach deriving from the background neutrality of coming from a nonprofit association as compared to 'business as usual' companies. He does not have to answer back to any company or to push Plantagon's solution into the standards. His purpose is in fact to help "not only Plantagon, but whoever works with sustainable food. It is more of a neutral kind of opening a new market. You need to be more neutral, to think of a better cause and bigger sustainability approach rather than thinking only about your company. I mean, I represent Sweden in those committees. You need to represent the others as well, and you need to be less biased".

Nonetheless, some positive outcomes for Plantagon are likely to arise from standardization. First, these standards could represent a unified regulation in the industry, enabling organizations such as Plantagon to show to the real estate developers harmonized measurements of economic viability and environmental impact, instead of guessing. Mr. Mousavi clearly considers the standardization initiative as "part of the scaling up system". Second, the standard directed to municipalities and real estate owners is likely to push them to invest in this area, helping them realize how much they are already doing for urban agriculture, how much the other cities are doing, and which policies they need to prepare to incentivize real estate developers to help them 'catch up'. Thus indirectly creating business opportunities for Plantagon and for the other companies operating in the industry.

Once covered the past and ongoing activities and their outcome, one must mention the most striking feature of Plantagon's activities at the current moment: it has yet to deliver one single project. Several projects, including the World Food Building in Linköping and another building in Stockholm, were matter of long negotiations. As of now, they simply have not been built. In fact, this is both the consequence of a series of unfortunate events as well as a strategic choice to focus on the creation of a global brand instead of building a prototype. However, deliverables are a crucial missing part in Plantagon's business, as recognized also by Ms. Grundemark: "If Plantagon can successfully show a project that is going to change everything, because that is what everybody has been waiting for".

The picture depicted so far is that of an organization still undone, yet with the potential to take off and become profitable in few years, as it was planned *ex ante*. However, in the incomplete scenario currently shown by

Plantagon, many limits can be found such as the need for flexibility and for consultancy agreements instead of hiring, in order to "bring the expertise when needed" (Ms. Grundemark).

The other limit that derives from this current status of Plantagon and that matters in this paragraph is about resource allocation. Resources, in this context, refer mostly to budget and personnel. The investigation by the researcher was meant to understand whether a trade-off arose in daily life at Plantagon when allocating such resources either to the company or to the association. The main finding is that essentially a sharp distinction between the two entities exists when it comes to financials, thus preventing trade-offs and confusion. The problems about money allocation will probably arise in the future "when the company starts generating income, because then 10 percent of what the company generates is going to be moved to the association" (Mr. Mousavi). Mr. Mousavi, however, points out that "there has been some confusion for resource allocation in case of competence or time, between people involved on both sides". To further clarify, he brings himself as an example: "I work for the company side but I am sitting with the Board of the association as well. It was more or less volunteering for doing extra work in my own time, when it comes to Board duties". This example shows how incomplete is the structure of Plantagon now. The consequences are that the hybrid model has yet to be tested for feasibility of effective money allocation, and also that the typical feature of blurred distinction between duties entitled to employees usually found in small organizations belongs to Plantagon as well.

Let us now cover the issue of customers' and beneficiaries' individuation in Plantagon's activities. As emerged in all interviews conducted with organization members, customers are governments, municipalities, cities, and real estate developers. Among these, the focus is on big customers. Such categories of actors are the main potential sources of revenues for Plantagon International AB.

It is much more tricky, instead, to point out distinctly people – or categories of people – belonging to the mass of beneficiaries of Plantagon's activities. As it is often the case for environment-centered operations driven by sustainability, multiple beneficiaries may exist, probably even unaware of their condition of beneficiary. The Office Manager herself, when asked about the beneficiaries of organizational activities, begins by stating that they are "hard to categorize". First and foremost, she points out "climate" as a beneficiary, although it is not a beneficiary in the most traditional sense used in the literature about social enterprises. Second, she states that Plantagon's architectural solutions are very likely to bring a new 'green' line of business, thus creating jobs for the benefit of the local community and providing locally grown groceries to local stores or restaurants, with a positive impact on shipping costs and pollution deriving from shipping. The Sustainability Strategist, instead, indicates "society" as the beneficiary of Plantagon's activities. Moreover, he says that "food security in a global perspective" is likely to benefit both the society and the environment it lives in.

4.3. Workforce composition

As noted during the literature review and summarized in the theoretical framework presented at the end of the second chapter, two main approaches are found used in social enterprises when it comes to recruit employees. These theoretical approaches – 'mix-and-match' and 'tabula rasa' – have peculiar characteristics, which make them mostly alternative and rather difficult to combine. Therefore, the actual hiring process applied by Plantagon has been investigated using these two approaches as guidance to better frame specific managerial practices, as either pertaining to one approach or to the other. In the Discussion, these findings will be compared against the theory. Now we present them in detail.

From the interview conducted with Mr. Owe Pettersson, CEO of Plantagon, some clear preferences in employee recruitment emerged. When asked about the background of employees working for Plantagon, he began by quoting the example of Sepehr Mousavi, which is now the Sustainability Strategist. The collaboration between Mr. Mousavi and the companization began when he knocked on their door, motivated to work with a food brand strongly linked to sustainability. He had a large education background in sustainability and agriculture, and work experience in five different countries. At the time, he was in Sweden for an exchange during his studies to deepen his knowledge about sustainability. What really made him get the job, according to Mr. Pettersson, was the relentless commitment he showed toward sustainability, the core value Plantagon is built upon. Five or six years ago, he started to work on a futuristic university project with them; then began volunteering on creating a position for himself. At the same time, he bought a 10-year membership in the association, right after his initial meeting with Mr. Hassle. Mr. Mousavi explains his hiring process as follows: "There was need for this; I made a plan for doing it like that. That is one of the positive angles of a companization model: as a member you get to knock on the door, go to the CEO, and say 'I want to be more involved'. I created a project plan, that was approved and I started working with that". Even clearer is the following statement in explaining the factor that triggered Mr. Mousavi: "I ended up working in Plantagon because I wanted to work here".

Of course, this is only one example, although representative of the criteria used by Plantagon in its hiring process. The Office Manager, Ms. Sara Grundemark, indeed, represents another example in this direction. Both her educational and working background is strongly related to sustainability. Before joining Plantagon, she achieved a Bachelor of Tourism Science, took part to a small-scale entrepreneurship project in Cuba promoted by the SIDA (Swedish International Development Cooperation Agency) and later worked for the Communication Bureau in Stockholm, with a focus on sustainability communication; that is, how to improve brand and business in a more sustainable way. Surprisingly enough for the researcher, she was already member of Plantagon Non-profit

Association before being hired, exactly like Mr. Mousavi. Such early commitment to the sustainability mission played a major role in her selection by Plantagon. Nonetheless, she had to go through the 'normal' hiring process, applying for the vacant position on the website and sustaining interviews with Mr. Pettersson (COO at the time), with Hans Hassle (CEO at the time), and with Maja Stilling (former CEO assistant, no longer in Plantagon).

Ms. Grundemark points out another interesting characteristic of Plantagon's workforce: "All of us working here come from very different backgrounds", she declares. More specifically, she talks about "pretty high level professor status to students, maybe 19 years old". In line with this opinion are the findings from Mr. Mousavi. Indeed, he acknowledges that his colleagues come from several different backgrounds, including social activism, innovation, technical, banking and insurance, and business development. However, it must be better clarified in this context what is considered a colleague and what is not. Ms. Grundemark explains, "My staff that I consider being my colleagues are about 15 to 20 people. On the paper, they are consultants; to me they are colleagues". This finding is confirmed by Mr. Mousavi, who describes Plantagon's staff as divided in three different circles. The first circle is the core of Plantagon, around ten people being at the office daily. The second layer is composed by senior advisors in different areas helping with the relationships with academia, local governments, and businesses. The third circle – the most external one – helps with accounting, engineering consulting, patenting consulting. An example of third circle collaborators is people from Sweco, considered by Mr. Mousavi as "colleagues developing something together", although they formally belong to another organization. A similar opinion is expressed about accountants: "we see each other as colleagues; they are mostly like an outsourced financial department".

This unconventional perspective about the size and composition of Plantagon's staff might mislead the analysis. Therefore, the author has decided to focus only on the inner circle of employees and managers within Plantagon, and on their background and values. The most relevant finding is, in the end, Ms. Grundemark's and Mr. Mousavi's qualified background in the sustainability field, which leads us again to the topic of values, yet to be clarified.

Here, a quote from the CEO's own words will better elucidate Plantagon's priorities in recruitment:

> "From the beginning it has been more important to find people with same values than the competence of a certain area".

Since semi-structured interviewing allows for follow-up questions linked to the respondent's answers, then Mr. Pettersson was directly asked whether values or competences are prioritized in candidate selection. Unsurprisingly, Plantagon looks for an effective balance between the two requirements, as most companies (whether hybrid or not) do. However, the CEO also clarified priorities saying "if you should choose one, then it is

values; you can always train people to get more competent or give them time". Which is exactly what happened with the Office Manager, hired because of her sustainability-related background and because of her attitude, and then trained "bits by bits", through "learning by doing in an open climate, where you are encouraged to ask questions" (her own words). The importance of values is found also in Mr. Mousavi's interview, where he states: "The main thing that I guess all of us share is good intentions. That is one thing that connects all of us, even by having different backgrounds".

Three other interesting features of Plantagon's recruitment process deserve attention. First, a sort of preferential treatment granted to association members. Indeed, perfectly in line with the predominance of the value criterion over the competence criterion, members of the nonprofit association are prioritized for work that is created in the company. This increases the likelihood that the new hired have the same view on sustainability as the rest of the workforce and it represents a very interesting practice by Plantagon.

Second, such criteria are not always that rigid and exceptions do exist. The evidence found in the interviews shows that for critical tasks in which Plantagon does not possess sufficient competences, these latter are prioritized over values in hiring or in selecting external consultants. The example provided by Mr. Pettersson relates to a person previously working for Swedbank (one of the primary banks in Sweden, together with Nordea, Handelsbanken, and SEB), now running his own consultancy firm, who is especially capable of designing advanced financial solutions. Despite being "very in line with Plantagon's thinking", in this case his competence was considered more valuable than the values he holds, probably more similar to a quarter-oriented businessperson.

Third, the curious evolution followed by Plantagon's recruitment approach. Given the strong reputation held by Mr. Hassle as a sustainability 'guru', in the beginning of company life most people joined Plantagon to work with him, more than for the projects and the operations, according to Mr. Pettersson. Then this became rather obvious and increased competence became more important as the level of contacts got more demanding – high-level people from governments, political and financial worlds. This was a turning point for Plantagon workforce composition choices, which led to a re-prioritization of selection criteria.

To sum up this paragraph, we conclude that empirical findings show a clear dominant criterion in employee selection: values, namely in the form of commitment to sustainability. The criterion of competence is also considered but it appears to have a subordinate position, as shown also by the preference granted to association members. Finally, exceptions to this rule exist and are found in particular in positions that are crucial for Plantagon's development (i.e. finance) where internal competence is deficient.

4.4. Organizational design

4.4.1. Organizational structure

4.4.1.1. Legal structure

From a chronological point of view, the first tough challenge a hybrid organization faces is finding a legal form that fits with its blended purpose. As we have seen in the theoretical review, most countries still have not equipped themselves with hybrid legal entities, regulated and available for entrepreneurs. Therefore, as it was the case for Plantagon, founders willing to start a hybrid company often find themselves involved in long discussions with tax authorities, which seem not to understand what the point of pursuing a blended purpose is. The experience of Plantagon is similar to many other social enterprises whose stories are described by researchers: tax authorities thought that founding a companization means constraining the company from earning money. In fact, it is "only a constraint on how you earn the money" (Mr. Pettersson).

The result of a lack of hybrid legal forms available to Swedish entrepreneurs was that Mr. Hassle and Mr. Lyons (co-founders of Plantagon) had to establish two different legal entities: Plantagon International AB and Plantagon International Non-profit Association. The first one (AB) is the most common form for doing business in Sweden and it shares many features of a US limited company (Ltd.). The other entity has the legal form of a Non-profit Association. However, although there are legally two organizations, they "act as one" (Mr. Pettersson); namely, they refer to themselves as Plantagon International, a lettering used to include both entities under the same name and to preserve the unity of the companization.

From a legal standpoint, what is unique in Plantagon International lies primarily in its Articles of Association. To be thorough, following we present the part of the Articles of Association that is relevant to this thesis, as it deals with the values and principles that guide Plantagon's activities but also imposes guidelines for management behavior:

> "The purpose of the company is to prepare maximum profit and social influence through profitability, growth of value and a core business that contributes to a sustainable development of society according to principles set in the Global Compact of the United Nations and the Earth Charter. Doing this, the company shall be a driving force in developing the possibility of shareholders, managements and entrepreneurs to understand, look out for and use their influence over the future of humanity through working for a sustainable financial, social and political development towards a market with "a human face". The company shall manifest the obvious possibilities a company has to be of benefit to mankind

and during this work contribute to a development of for-profit organizations using alternative ownership, ideological driving forces and a visionary leadership" (Plantagon International AB, 2017).

The importance of these Articles of Association lies in the fact that they complement the lack of hybrid legal forms in Sweden, contributing to the creation of the hybrid model 'companization'. They are also legally binding for Plantagon's management, which has to account for its actions and the compliance of such actions with the Articles in front of the Board of Directors.

4.4.1.2. Operational structure

The second critical challenge regarding organizational structure relates to the operational setup. Since Ms. Grundemark is the Office Manager at Plantagon, she holds a cross perspective over the different activities performed within the organization. In fact, her main job "is to have all the daily routines, making sure that all the activities of the office are running smoothly as well as everything needed to maintain a good office environment". This makes her a relevant actor to be asked about the operational structure that characterizes Plantagon International.

The two main findings from her answers are the following. First, it is not clearly stated *a priori* who is in charge of every single activity; therefore most of the times a discussion arises about whether the association should step in and contribute or not. The interviewee, here, states that "sometimes there is overlapping". However, when asked about an example for further clarification of this insight, she provides the example of education, which sometimes is offered through the association in the context of a project that involves the company. Such example, according to the author, shows the features of complementarity more than overlapping between the two entities; an impression indeed confirmed by the interviewee herself when asked for respondent validation.

The second important finding is linked to the size of the organization. According to Ms. Grundemark, "being a small organization and being a companization often require that all of us have to be able to do a little bit of everything". From this statement, it emerges explicitly that organization members operate with a 360 degrees perspective over the organization as a whole, even when they are specifically assigned to a single project, as it is the case for Mr. Mousavi and the standardization project. Further evidence of this comes from the fact that the Office Manager is entrusted with additional tasks – what she calls "extras" – in the sales area, having to contact potential customers.

An additional finding that gains relevance in this discussion is that "the association is under construction; it has not really moved into the phase of being completely self-sufficient or self-sustaining" (Ms. Grundemark). It is

important here because it deeply affects the operational structure at Plantagon. Namely, as it is now, people working at Plantagon take care of every sort of activity, doing things for the company as well as for the association. It is evident that the depicted situation is not suitable for compartmentalization of activities into sub-units: the organization is still too small, the association is not yet walking on its legs, and the few employees are held responsible for a multitude of tasks, sometimes even varied.

Finally, in such a small and collaborative work environment, decisions over activities' allocation to members must be taken, but they are unlikely to lead to conflicts. Every employee is empowered, capable of multitasking, and with an understanding of the 'bigger picture'; thus, there is no need for compartmentalization of activities as now. In the future, if the association will manage to reach a critical mass of members, thus having the economic means to hire people, "it will have its own agenda that still goes in line with Plantagon AB" (Ms. Grundemark). Then, a rearrangement of the operational structure will be necessary.

4.4.2. Incentive and control systems

The second sub-area under analysis within the area of organizational design pertains to incentive and control systems, a challenge often critical for managers who pursue efficiency in their organizations.

Incentive systems are not something institutionalized *ex ante* at Plantagon. This is not surprising for a small organization; what is surprising is the point of view of employees regarding incentivizing and rewarding systems. According to the Office Manager, in fact, Plantagon is the kind of organization where you can easily influence your own situation, "even if it is a raise of salary or any other kind of benefits that you would like to gain for yourself". The interviewee provides a parenthetical example in this matter: "if I wanted to go with a product and start that kind of sale program and get some kind of provision for everything I sold, I know that I could easily discuss that with my colleagues". In such an open climate for frank discussion, where everybody feels that rewarding for special accomplishments can be gained without excessive effort, incentive systems are probably not required. It is also interesting the point of view expressed by Mr. Mousavi: "My motivations are not financial. I mean, you could be paid better in some other organizations doing the same work. We do not have that kind of financial bonuses; we only get some extra if we travel too much, for example". He highlights that someone in the staff (Hans Hassle, for instance) also has some minor ownership in the company, an additional motivational factor.

However, it is worth bringing another component to the discussion: activities performed currently at Plantagon have a great deal to do with building a brand or creating a new market. These two activities, as recognized also by Ms. Grundemark, might be hard to measure, evaluate, and reward accordingly. Therefore, the actual lack of

incentive systems might be attributed both to the open climate within the organization and to the inherent difficulties of measuring performance in the areas of brand building and market creation.

Alongside the discussion about incentive systems, Ms. Grundemark expressed also a personal opinion regarding competition within the organization. According to her, "competition can be good as well, so sometimes you could need more of that, if it's channeled or tunneled in the right way so that it's not becoming a 'shark situation', and you can still work for common goals and challenge each other". This statement brings up a limit of the organizational environment that remained hidden during most of the interviews; that is, the scarcity of 'healthy competition' that could drive up performances. This is often a recurring issue in small-sized organizations, especially if plagued by a lack of measurement tools for results achieved. Therefore, this feature has to be considered when expressing an overall judgement about Plantagon's managerial practices pertaining to incentive systems.

Another consequence of the open and collaborative environment described above is the peculiarity of control systems employed within Plantagon: they are simply based on trust. Here, again, it assumes relevance the difficulty encountered in controlling activities such as brand building and market creation. However, Ms. Grundemark points out that she works close to the CEO, and there is a lot of trust involved in their work relationship. She explicitly says, "It is not like we constantly review each other's work"; rather, they discuss what they do, how they do it, and whether any help is needed to get to the best results. This finding is confirmed by Mr. Mousavi, who states that there is no "overcontrol" or any micromanagement systems in place. Employees have to deliver results and present milestones of the project during weekly or monthly reviews. These review sessions, however, are more concerned with "seeing if you need help with anything" (Mr. Mousavi). When confronted with the findings by Ms. Grundemark, Mr. Mousavi agrees on the fact that Plantagon's control system is essentially trust.

To conclude this paragraph, the researcher wants to recall to the reader the current situation of Plantagon, since it strongly affects the managerial choices taken. As of now, Plantagon International has still a long way to go in order to reach its goal of 100,000 members in the nonprofit association; the current figure is 451, for the sake of clarity. Therefore, the association itself is in a rather embryonic phase, requiring little workforce, incentive and control systems. In addition, Plantagon International AB (the for-profit side) has yet to prove its technology with a real project, reliable, tangible, and deliverable to customers. In such a situation, again, little workforce, incentive and control systems are required. In the end, empirical findings presented in this paragraph must be filtered to take into account the current situation of Plantagon International, a small-sized organization

embedding a 'work in progress' nonprofit association and a 'yet-to-be-proven' core business on the for-profit side.

4.4.3. Governance

The third sub-area under analysis within the area of organizational design is governance. The focus, in particular, is on the composition of the board of directors. As anticipated in the introduction, Plantagon International has a very particular organizational structure; here we explore further the details.

In the companization structure, the owners appoint the Board of the for-profit company, which in turn appoints the management of the company. On the other side, the members of the nonprofit association appoint the Association Board, which then appoints the management of the association. The peculiarity lies in the fact that the Association Board – although the Association has just a minority share of 10 percent in the Company – appoints half of the Company Board. However, the transfer of the 10 percent shares to the Association happened this year; therefore, the company's annual meeting of this year will be the first one where half of the Board is appointed by the Association. Both boards, finally, elect a Chairman amongst their members who has the casting vote (since both boards consist of an even number impasse could occur). No Board Member is allowed to sit on both boards at the same time. The elections of Board Members and Management take place once a year during two annual meetings, organized separately for the two sides of the organization.

In the annual meetings, as stated by Ms. Grundemark who participated to most of them during last three years, the election of the new board is usually the main topic. Other issues arise as well, such as wrapping up the economic status or discussing about future projects. These meetings are held, as already mentioned, once a year, usually before the summer vacations.

The annual meeting for the company – Plantagon International AB – is attended by the owners (Onondaga Nation and Swecorp), a representative by the association, and by the Office Manager as the secretary of the meeting.

On the other hand, the annual meeting for the association is attended by all paying members who own voting rights. The Office Manager herself attends this meeting, as she owns a 10-year membership with one closure right; she could, therefore, act as a member but she is usually there for administrational reasons. Interestingly enough, when asked about the other employees at Plantagon AB, she states that "actually everyone here owns a 10-year membership", thus showing a clear and proactive commitment to the mission of the companization by all her colleagues. Besides, this finding is confirmed by the fact that also the Sustainability Strategist owns the 10-year membership.
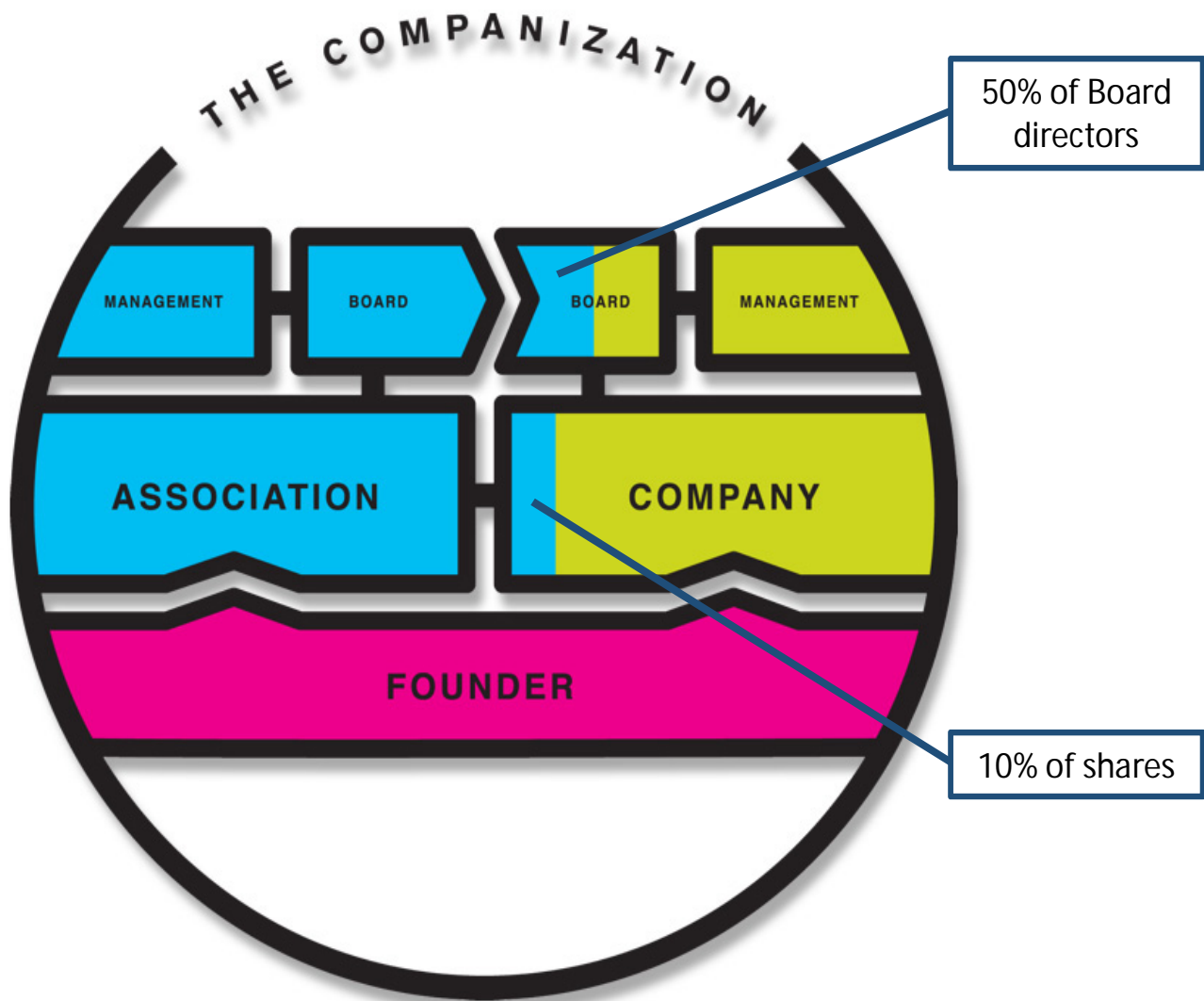
Figure 9. The Companization organizational model. Source: own adaptation from Plantagon International AB, 2017.

Now that the election mechanism of Boards and management has been explained, let us turn our attention to the boards of directors as they are right now, and especially to the background and institutional logics represented in the boards. Most of the information that follows can be found on Plantagon International AB's website, in the section 'Organization', sub-section 'Board of Directors'.

Plantagon International AB's board of directors is composed by four members: Sidney Hill, Vincent Johnsson, Michele di Dato, and Göran Pettersson.

'Tadodaho' Sidney Hill, representing the main owner Onondaga Nation, is the Chairman of the Board for Plantagon International AB. The term Tadodaho is used by the Haudenosaunee to refer to the most influential spiritual leader. Tadodaho is the spiritual leader of the Haudenosaunee, Six Nations that includes the Cayuga, Mohawk, Oneida, Onondaga, Seneca, and Tuscarora people. Along with other Indigenous American leaders, Mr. Hill is responsible for maintaining the history of the Haudenosaunee people. He has also been active in land claim cases in New York, by which the Iroquois nations have sought return or compensation for lands they were forced to cede to New York in the aftermath of the American Revolutionary War.

Vincent Johnsson is one of the 50 chiefs of Haudenosaunee (Six Nations Confederacy) and has been a Member of the Corporate Board since 2008. Mr. Di Dato, instead, is a former professional ice hockey player with extensive experience from the advertising industry.

Finally, Göran Pettersson left his position as CEO for the Red Cross Center for Development to become one of the founders and owners of SWECORP Citizenship AB. For many years, he worked within the voluntary sector and was the first Chairman of the Board for The World's Children's Prize for the Rights of the Child. Since 2003, Göran is General Secretary for Forum for Voluntary Social Work in Sweden. He was appointed as the fourth most influential leader within the Swedish CSR community by reputed magazine 'CSR i Praktiken'. His background in social activism, therefore, is extensive and well known.

Plantagon International Non-Profit Association's board of directors is composed by six members: Oren R. Lyons (also Chairman), Margaret M. Towle, Michael Roux, Magnus Hjelmare, Sepehr Mousavi, and Camilla Weichert.

Mr. Lyons is a sought-after international lecturer and participant in forums, focusing on American Indian traditions, Indian law and history, human rights, environment and interfaith dialogue. That is, not exactly the suit-and-tie businessman focused on quarterly results.

Margaret Towle, on the very opposite, was nominated and recognized as "Top 50 Women in Wealth Management" and as executive vice president and CIO at Northern Trust Global Advisors she was responsible for managing assets in excess of $25 billion.

Michael Roux has had a leading role in both government and business circles in Australia and internationally for more than 40 years; in addition, he had top-level roles in organizations such as KPMG and Citigroup.

Magnus Hjelmare has 25 years of experience from marketing and communication and today he is CEO of BERG, a small brand agency working with all sectors and focused on the integration of the brand and business strategy.

Sepehr Mousavi is a sustainability professional competent within areas of multidisciplinary planning, urban ecology, standardization as well as smart cities, energy-water-food (-waste) nexus and social responsibility. He serves also as Sustainability Strategist for Plantagon International AB.

Camilla Weichert has extensive experience in business development for innovative solutions as well as extraordinary public speaking skills that gave her the opportunity to present Plantagon's business model in a TEDx Talk and to the Chinese Ambassador. She also initiated a project to enhance sustainability and environmental awareness in the Rotary Organization.

Finally, one of the most relevant personalities within Plantagon is Hans Hassle. He has been a pioneer of Corporate Citizenship and CSR since 1986. This background, together with the national and international awards he has gained over time (for example, he was nominated Sustainable Leader of the Year by the Swedish Association of Environmental Managers in 2010 and 2011), clarifies what his main field of attention is.

After the presentation of the Board Members – and their personal background – both for the Association and for the Company, we move to present briefly their institutional logics. In the Discussion, we will then categorize Plantagon's approach as either 'mix-and-match' or 'tabula rasa'.

An important finding about the Board of the Association and about governance within Plantagon in general is that each Board member is in charge of a different chair, connected to different duties. In the Board of the association, as explained by Mr. Mousavi, there is a communication chair (belonging to Ms. Weichert), a member chair (acting as a medium between the Board and the members and held by Mr. Mousavi), a spokesperson and secretary for the Board (Mr. Hjelmare), and the Chairman of the association (Mr. Lyons). Finally, there are two new members (Ms. Towle and Mr. Roux), very well-known persons in the world of finance, whose duty is to help with financing the platform, trying to help Plantagon to get more and more financially independent. It is clear from this distinction of roles that everyone in the Board is assigned a different chair based on his/her main work experience, competences, characteristics, and – ultimately – institutional logic.

It is also interesting the fact that, according to Mr. Mousavi, the environment in the Board is "very positive", and that "everybody see themselves committed to a unified goal". This is a sort of reconciling mechanism of the situation described above, where people with different backgrounds sit in the same Board but address different duties.

4.5. Inter-organizational relationships

The first crucial challenge that a social enterprise has to address when it comes to external relationships is the choice to outsource some of its activities or keep everything within its boundaries. About this issue, the most relevant empirical finding is the unconventional model of outsourcing pursued by Plantagon. Mr. Pettersson, in fact, sees the company as an incubator for innovation concerned with sustainability of cities from different perspectives, including food, energy and water – what he calls "FEW for many". The greenhouse business Plantagon has developed so far thus becomes an 'egg' that is transferred to another company after its incubation process is over. In order to retain control over the company in which this 'egg' is moved, however, an extensive discussion is needed, eventually leading to a detailed agreement governing the deal. Plantagon already engaged in such negotiations and in the near future, according to Mr. Pettersson, the greenhouse business will be handed over to a company called Enspire, owned by a business associate of Mr. Hassle. The transferred package will include the patent portfolio, the business contacts, the use of the brand and the knowledge necessary to develop impact projects. Of course, in order to safeguard the social aspect, Enspire will be supervised continuously by Plantagon in its ethical choices.

The second main challenge faced by social enterprises' management is securing capital. This is, surely, a hard task for every kind of company; it is even more difficult for companies that have a blended purpose like Plantagon. As anticipated in the introduction of this thesis, the financing structure used by Plantagon is probably its most peculiar characteristic. The CEO states explicitly that he is not meant to go to the stock market or to banks for fund raising. He is supposed to go to Plantagon's owners (i.e. the Onondaga Nation and Swecorp). The Sustainability Strategist as well points out that they are not meant to reach out for risk capital. Plantagon should, instead, "try to go to individual people that believe in the cause". This is, indeed, the unconventional part: the nonprofit association should complement funding. From CEO's own words:

> "You need a lot of members in the association, now the goal is 100,000 becoming 10-year members, because then we would have 100,000,000 SEK on the account that we could spend on good things that we want without asking banks".

In order to develop innovative projects for a sustainable future, Plantagon wants to create a community of 100,000 individuals who share the necessary risk (Plantagon International Association, 2017). Therefore, it offers different membership types to join this community, depending on the level of commitment that one wants to take. In addition to the free membership, which of course does not provide any voting rights or any other possibility to impact on the companization's decisions, three different paying membership options are offered. The least-committing one is the one-year full membership that provides voting rights in exchange for 10 euros

(approximately 100 SEK). The most-committing form of membership for individuals provides voting rights for ten years at the price of 100 euros (around 1,000 SEK). Finally, the third membership type available is reserved for organizations; it costs 115 euros (1,100 SEK circa) per employee and does not provide any voting rights. It provides, however, one 'Generation Share' to each employee. The 100 euros membership endows the association member with one 'closure right', whilst the organization membership gives one closure right to every employee. The closure right gives the descendants of the holder the right to share the profit in the distribution of Plantagon Non-profit Association's benefits in the event of a sale of Plantagon International AB. However, only when the closure right has been transferred from generation to generation six times or more (Plantagon International Association, 2017). The closure right mechanism is a formidable means to commit people to sustainability for a very long-term (i.e. seven generations), while securing itself free long-term capital to invest in innovative projects. This is probably the most 'revolutionary' idea from Plantagon, the one potentially capable to spread across social enterprises that face the same financing issues. According to the Sustainability Strategist, in fact, it is not about philanthropy; it is rather about investing in something more sustainable that gives the association member a voice. As he puts it, "it is a sort of more advanced version of crowdfunding".

A critical challenge in collecting money through membership fees is reaching out to the public. In order to do it, Plantagon uses several channels of communication. These, however, do not include traditional means such as television, radio and street panels. They do include, instead, press releases, Facebook pages, publishing books and articles, creating documentaries, and the organization of events – the most important is the Global Agriculture Summit, last one dating back to 2013. The key point here is that subscriptions to the nonprofit association peak right after a public speech, given either by Mr. Hassle or by Ms. Weichert, because people need a person to associate to the organization and its mission (opinion provided by Ms. Grundemark).

The third crucial challenge that social enterprises need to face, if their purposes imply the necessity to develop technological innovations, is research and development (R&D). For Plantagon especially, the owners' directive from the beginning was to address the problem of how should megacities of the world be fed in the future. This huge issue requires of course a likewise ambitious technological solution. As noted along the theoretical review, this R&D effort may be performed either relying on own resources or in collaboration with other organizations. The strategy used by Plantagon to develop its innovative vertical farming solutions is to carry out its research activities together with another Swedish company, Sweco AB. Sweco helped in the engineering part, developing the solution, and eventually they will be involved as consultants when projects will finally see the light. However, the outcome of the R&D collaboration – in the form of patents – belongs solely to Plantagon.

At this point of the discussion, we introduce another external relationship very valuable for Plantagon. When it comes to its patenting activities, in fact, Plantagon relies on some advisors for filing and managing IPRs: namely, a company called Groth, the biggest in Sweden and one of the biggest in Europe in this industry. Their role is to help companies to register their patents to the patenting agencies, in this case to *Patent- och registreringsverket* (PRV), the Swedish Patent and Registration Office.

Another relevant topic emerged along the interviews conducted with Plantagon's management, something that was not found in the literature for an obvious reason: it is strictly linked to the industry Plantagon operates in, thus not common to other social enterprises. In the industry Plantagon operates in, that is urban development, two actors stand out as crucial. Public authorities, in the form of municipalities and local governments for example, are the first ones. What Plantagon does in this external relationships is lobbying (in a good way, in the sense of educating) in order to raise awareness and commitment by these local authorities about the necessity of environmental-friendly policies. It is about "putting these environmental-friendly goals or challenges onto their agenda", as Mr. Mousavi explains. Real estate developers represent the next layer. Here, the hard task is to motivate them to invest in 'green' buildings, for instance through tax incentives, higher rents, and higher selling prices. Part of this motivation has to come from the public authorities; Plantagon must provide the other part, building relationships with them, and giving them a sort of 'economic viability' angle. Mr. Mousavi highlights that "today sustainability is about regeneration, circular economy, saving money by being more sustainable, making more money by being good". This is what Plantagon tries to deliver to real estate developers: a sustainable and environmental-friendly solution that is also economically advantageous for who invests money to build it. Last but not least, another motivational factor for real estate developers to build a vertical farming building is that it would represent a 'landmark', extremely valuable in their perspective as it enhances reputation and bargaining power with local governments; and thus, the likelihood for them to obtain area for construction in more convenient and exclusive neighborhoods.

As it was done in the paragraph about workforce composition, here the researcher tried to understand which criteria Plantagon uses to select its external partners. Whether it is for arm's length transactions or for long-term partnerships, companies generally employ a multitude of indicators to choose whom to collaborate with. These criteria often include economic indicators (e.g. potential profitability or more competitive price offered) and strategic ones (e.g. mutual advantages in terms of brand or distribution channels). Other times partner selection is much less planned and largely depends on the opportunities that emerge in particular markets or industries, or even on personal relationships between people working in different organizations. Among all these criteria, Plantagon's focus is on a relatively unconventional one: they look for organizations willing to collaborate for "the right cause", as Mr. Pettersson put it.

The interviewee mentions an example that better explains what this criterion means in practice and which organizational tensions it implies. The example regards a cooperation that Plantagon had with Saab, a Swedish company active in the defense industry. The Articles of Association embedded in the foundation of Plantagon provide guidance to the management for what concerns moral behavior expected by people working with the companization, both inside and outside its boundaries. They are, as the CEO said, their 'Bible'. In the case of Saab, nothing in the Articles of Association prevented the management of Plantagon from collaborating with a company that operates in the defense industry. However, a big discussion started within the organization about whether it was ethically acceptable for them to work with a defense firm – whose core business is military defense, therefore involving weapons and so on – and whether it was beneficial for Plantagon's brand to associate itself to Saab in the mind of the public. The deal would have been for using Saab's competences for 'green' purposes, not for the defense industry. In the absence of a clear prescription from the Articles of Association, the decision was rather subjective and entitled to the CEO, who then is responsible for such decision in front of the Annual Meeting and could also be financially liable for any negative consequences of his choice. At this point, the criterion of the 'right cause' intervenes: in the CEO's words, "we can work with almost anyone I would say, if it is for the right cause". Deciding whether the cause is right or wrong is a difficult task that belongs to the responsibilities of the CEO.

The Sustainability Strategist provides another meaningful example of the Articles of Association and of the ethical framework 'in action'. He mentions a Chinese company (he does not remember the name), working with genetic modification of organisms which approached Plantagon some years ago and proposed a tempting business opportunity. However, ethical framework and Articles of Association prevent Plantagon from working with something unnatural if there is not enough valid and proved knowledge about it. He summarized it like "being cautious when working with unknown". The interesting part of this story is that a discussion about the deal arose within the organization, involving all the components – and not just the Board. In the end, the ethical framework was translated into a guideline for decision, there was a vote and the proposal was declined. This example, however, shows one of the undeniable advantages of a companization model, as Mr. Mousavi highlights: "As a member, you could go and complain. 'I, as a member, object based on our ethical framework'. That is all about giving you a voice, maybe in a normal company I do not get to go to the CEO and say 'we are not going to do that'." This voice appears not to be a vague concept, but rather a practical possibility for the association members to go and influence the choices of Plantagon.

To conclude this paragraph, we present a quote from Mr. Pettersson that brilliantly explains how hard is to interpret moral guidelines in daily business decisions and how subjective such decisions may be as a result:

"If you should not do business in the world as it is now with any kind of 'not so moral' person or organization, it is sadly not that many you should be able to do business with, depending on how far you take it".

4.6. Organizational culture

The fifth and last area of organizational life that we turn our attention to is organizational culture. Here the lens is mainly on the presence of a common identity across the hybrid organization and on the managerial practices employed to carry out 'organizational socialization', defined as "the process by which an individual acquires the social knowledge and skills necessary to assume an organizational role" (Van Maanen & Schein, 1979, p. 3).

Regarding the presence – or not – of a common identity within Plantagon International, the Office Manager declares that all organizational members "share the feeling on the legacy to bring something good for the society, for people, for business, both existing and also in the future". She speaks with a relatively high awareness of the situation, having worked at Plantagon for almost four years (nearly half of the organization lifetime). In general, from all the interviews, stands clear the existence of a strong identity for making an impact on the world we live in, spread throughout both sides of the organization. The personal experience of Ms. Grundemark, in this sense, is rather meaningful. Her wholehearted words are a *manifesto* of what a Plantagon's member feels like about his/her job:

> "I feel that I am doing something good by going to work every day. It is something more than just a job.
> You feel like you are making a difference."

Values, as it should be evident to the reader at this point, are a crucial factor within Plantagon. They are even so recurring on a daily basis that they are "continuously taught through discussions" (Ms. Grundemark). Alternatively, Plantagon people can get to know about core values directly from Hans Hassle's books, as it was the case for Mr. Mousavi. Generally, as Ms. Grundemark points out, working for Plantagon is continuous learning, especially from Mr. Hassle and Mr. Pettersson. The Office Manager considers both as her colleagues and bosses at the same time, and Mr. Hassle in particular is considered "a visionary", "a connecting part of the companization", and the ultimate target for "questions that cannot be answered by anyone else, when it comes to the companization and the structure of Plantagon". Similar opinions about Mr. Hassle are expressed by the Sustainability Strategist, who believes he is "really idealistic, what he is doing has a meaning". In particular, according to Mr. Mousavi, Hans Hassle is actively trying to transform the business world and shift the dominant logic.

The critical challenge for the management of a hybrid organization, however, is even more evident for Plantagon, since on the paper it is composed by two separate legal entities. Enlightening, with regard to this topic, is a quote from the Office Manager: "it is still one and the same organization with the same type of goal in the end".

The last part of the sentence is particularly important for the second focus of this paragraph, organizational socialization. In fact, the 'socializing' element within Plantagon seems to be the long-term future goal. This goal, as stated by Ms. Grundemark, might be difficult to see during days of normal office work, those days when Plantagon looks like a 'business as usual' company. That is why "every now and then you have to go back to it, remind yourself of it". Nevertheless, the goal is still there, with its overarching socializing potential. Mr. Mousavi as well states that he is more committed to the long-term vision of Plantagon rather than to his daily basis job; it is indeed more tempting and appealing to believe in the core values of the company. As the CEO puts it, "the focus on sustainability is in the genes of the company". It is its deepest root, and permeates the whole organization, acting as a unifying element in the continuous reconciliation of daily activities with the long-term purpose.

However, embracing a dynamic perspective, the survival of such common identity has yet to be tested. Mr. Mousavi, in fact, shared some doubts about what is going to happen when the company will develop bigger and scale up. He points out: "Now you have a small team, many of them are involved in both sides of Plantagon. One of the biggest challenge is to challenge this model in a long-term. It is a time question". The companization model itself, according to him, is "maturing as the company is growing and the team is becoming bigger and bigger". Only time will tell us how effective this model is for a social enterprise.

5. Discussion

The analysis discussed in this chapter is carried out considering the empirical findings collected in the interviews and presented in the previous chapter. In Chapter 4, the findings have been organized following the conceptual framework presented in Figure 6, at the end of Chapter 2. The rationale was to help the reader to keep track of the areas of 'hybrid organizing' investigated in the interviews and to provide a more structured form. Here in the discussion, those empirical findings are compared against the theoretical framework and the most interesting points are discussed in depth. Figure 6 has also been complemented with the empirics, and its revised version is presented below (Figure 10). The focus is on the approaches used by Plantagon's management in dealing with the critical challenges, and especially on those that were not found in the existing literature. This way, both a theoretical contribution for the field of study about social enterprises and hybrids in general and a practical contribution for Plantagon will emerge.

Area of organizational life	Sub-area	Critical challenge	Available options/approaches to face the challenge	
Organizational activities		Trade-offs / allocation of resources	Differentiated model	
			Integrated model	
			Peculiar variant of differentiated model	✓
Workforce composition		Hiring/recruiting	Mix-and-match	✓
			Tabula rasa	
Organizational design	Organizational structure	Operational	All activities to same organizational members	✓
			Compartmentalization in sub-units + relational spaces	
		Legal	Traditional for-profit/nonprofit forms	
			Hybrid forms (where available)	
			Merger of two traditional forms – 'Companization'	✓
	Incentives and control systems	KPIs weighting both business and social performance	Separate evaluation of performances (differentiated)	
			Joint evaluation of performances (integrated)	
			Trust, open climate for discussion	✓
	Governance	Board of directors' composition	Mix-and-match	✓
			Tabula rasa	
Inter-organizational relationships		Selection of partners for:		
		Outsourcing	'Buy one, give one'	
			No outsourcing	
			Unconventional model of outsourcing – incubator	✓
		Financing	Traditional forms	
			New forms	
			Founders + 'reverse stream of funding'	✓
		Technological development	Self-reliant	
			Joint R&D	✓
Organizational culture		Common identity through 'organizational socialization'	End-focused	✓
			Means-focused	

Figure 10. Theoretical framework complemented with the empirical findings about Plantagon. Source: own elaboration.

5.1. Organizational activities and legal structure

The starting point of the theoretical analysis conducted in Chapter 2 was the concept of Institutional Logics, defined as "frames of reference that condition actors' choices" (Thornton, Ocasio & Lounsbury, 2012, p. 2). These frames are crucial drivers that influence individual behaviors of actors living and operating in social contexts. Hybrid organizations combine different logics, thus they have to deal with 'institutional complexity' and to face unique managerial challenges. In doing so, literature says, they should strive for the features showed by the 'hybrid ideal'. Plantagon International, to some extent, resembles a hybrid ideal.

First, Plantagon's managers do not have to choose between social and economic mission. This is due, however, to the nature of Plantagon's business and to the fact that its technological solutions have inherently a positive impact on environment and society, without the need to reinvest profits in social activities. In other words, while pursuing the economic mission Plantagon is also indirectly providing a positive social impact – typical characteristic of integrated hybrids. As it is specified in Figure 10, Plantagon's model is somewhere in between the integrated and the differentiated model. Its main customers are real estate developers whilst the beneficiaries of its activities are environment, society, and local communities. At the same time, however, profits realized by the for-profit side of the organization are not used to fund social activities that help beneficiaries. This latter feature distinguishes Plantagon from the traditional differentiated model described in the literature. Plantagon is a differentiated hybrid since its customers and beneficiaries do not overlap; it is not differentiated, as profits from the company are not devoted to charity activities. The second feature of a hybrid ideal, according to Battilana et al. (2012), is that the integration of value creation gives rise to a virtuous cycle, where profits are reinvested to pursue the social mission. In the case under analysis, value creation is just partly integrated, as customers and beneficiaries do not overlap. However, 10 percent of the profits will be automatically transferred each year to the nonprofit Association, and reinvested to pursue the social mission, as soon as Plantagon will become profitable.

The ambiguous position of Plantagon when trying to categorize it as either differentiated or integrated hybrid is summarized in Figure 11.

Differentiated hybrids	Plantagon International	Integrated hybrids
Customers ≠ beneficiaries	**Customers (real estate developers) ≠ beneficiaries (society, environment, local communities)**	Customers = beneficiaries
Trade-offs in operations	**Economic activities produce social value**	Economic activities produce social value
Relevant risk of 'mission drift'	**Limited risk of 'mission drift' (at least in the short-term)**	Limited risk of 'mission drift'
Commercial profits reinvested in social activities	**10% of commercial profits transferred to the Association**	Commercial profits retained completely

Figure 11. Ambiguous position of Plantagon, in between differentiated and integrated hybrids. Source: own elaboration based on Battilana et al., 2012.

Another structural element worth discussing is the legal form selected by Plantagon. As shown in Figure 10, Plantagon's legal structure – the 'Companization' that has been extensively described in Chapter 4 – is something not found in the existing literature analyzed in the theoretical review. Theory says that entrepreneurs willing to establish a social enterprise face difficulties to give their organization an adequate legal form. The main finding in this context is that Sweden, despite being at the cutting edge of innovation in many fields, so far has not made available to entrepreneurs any hybrid legal form. Consequently, the Companization model ideated and developed by Hans Hassle had to be registered as two separate legal entities: a for-profit AB company and a nonprofit association. This delay by Sweden, and by many other European countries to be fair, represents a real hurdle for the diffusion of hybrid organizations, and an unnecessary complication for social entrepreneurs who want to simultaneously create employment and provide a positive social and environmental impact. 'Business as usual' organizations, as in many other issues such as financing and recruiting, are still facilitated although definitely less concerned with values and sustainability of their operations. In the end, the crucial point that must be highlighted is that social entrepreneurs are often more creative than scholars would believe. When theory does not come up with adequate hybrid models, or when public institutions lag behind in regulating such models, entrepreneurs find a way to mix existing forms in order to satisfy their needs. The companization model and its legal registration is just a further example of how slow the legislator is in responding to the necessities of business world and how dynamic and creative is the world of hybrids.

In order to proceed with the analysis, it is worth recalling once again to the reader the current situation of Plantagon International: it is a small-sized organization, which embeds a 'work in progress' nonprofit association (only 451 members at the moment) and a 'yet-to-be-proven' core business on the for-profit side (no building designed with Plantagon's technology has seen the light so far). In addition, Plantagon has never reached black bottom line results since its foundation in 2008. Therefore, there have been no profits to reinvest in social activities. The problems about allocation of profits – if any profits will ever be earned – will arise in the future, especially because the nonprofit association owns 10 percent of the company, and has the right to receive 10 percent of the distributable income.

5.2. Trade-off management and importance of organization's size on the findings

Another relevant challenge that harms social enterprises is dealing with trade-offs. Rottenberg and Morris (2013) suggest that such organizations should grant priority to financial goals over social ones in order to safeguard the long-term sustainability of the business – thus preserving its capability of generating positive social impact. This concept was found in Plantagon's management behavior as well, namely in the trade-off regarding the financing of the World Food Building (WFB) in Linköping. Plantagon, indeed, is not meant to reach out for risk capital (i.e. banks and stock market). In the WFB case, however, the necessity for money created a trade-off: either stick with orthodoxy to the organizational principles and further postpone the realization of the project or go to banks and sacrifice the principles for the sake of financing the WFB. In this occasion, Plantagon prioritized the financial goal of getting the financing issue solved over the social goal of not exposing itself to banks, one of the main traits of 'business as usual'. The rationale behind this decision was to finally build a showcase for Plantagon's technology to prove it to the world. If Plantagon really wants to revolutionize the way food is grown in urban environments, then it needs to get as many customers as possible, and to build as many vertical farms as possible all over the world. This is the reason why it seems perfectly legitimate to accept bank financing (although it is just a part of the whole financing). Revolutions need to start somewhere, and a showcase is what you need if your ambition as a company is to grow your business enough for it to really make a difference.

Within the context of trade-offs, another interesting finding in the interviews was that the presence and the management of such trade-offs is strongly related to the size of the organization. The organization is still very small, the association – as demonstrated by the number of members – is still in an embryonic phase, and the few employees are held responsible for a multitude of tasks. Moreover, when decisions over activities' allocation to members are taken, they are unlikely to lead to conflicts. If we compare these findings with the options provided by literature for managing trade-offs and for task allocation within the operational structure of an organization, Plantagon seems to match with the 'All activities to same organizational members' category (see Figure 10).

However, a deeper analysis of the reasons behind this structure leads us to believe that this is a rather temporary conformation. Such an operational model indeed, where every employee is given tasks pertaining to both sides of the organization, is hardly sustainable in the long-term. The Sustainability Strategist himself pointed out how the companization model is "maturing as the company is growing and the team is becoming bigger and bigger". This realization has many consequences on the findings of this research and on the analysis conducted on those findings. As said above, one consequence is that the operational structure – which does not embed any compartmentalization into sub-units – is very likely to be temporary and to switch to compartmentalization in the near future.

Another consequence is related to incentive and control systems. Theory provides the distinction between separate evaluation of performances (typical of differentiated hybrids) and joint evaluation of performances (typical of integrated hybrids). The main finding, here, is that the only mechanism of control within Plantagon is trust; there are no key performance indicators, whether mixed commercial-social or separated. Regarding incentives, there are no *a priori* instruments available to the management; rewards are sought through open discussions eventually. It is clear both to the author and to the reader that one better not draw the conclusion that 'the companization model used by Plantagon works so well that controls and incentives are not necessary'. That would be a superficial conclusion, not supported by the evidence. Again, the size of the organization has a huge relevance in this case. Absence of clear and structured control and incentive systems is a feature typically found in small-sized organizations, regardless of their structure and their purposes. Therefore, with intellectual honesty it must be admitted that this feature found in Plantagon is not so remarkable and very unlikely to characterize other hybrids – or Plantagon itself when it grows bigger. A marginal note to this statement is the little personal concern expressed by the Office Manager, still belonging to the realm of small organizations' weaknesses: the scarcity of 'healthy competition' that could drive up performances. This is, indeed, one potential downside of such a trustful and collaborative work environment, where workers are not strongly encouraged to perform better than their colleagues.

Another characteristic of Plantagon that might be better explained by its size rather than by its hybrid nature or by its managerial peculiar choices is the structure of workforce. The three concentric circles described by Mr. Mousavi in Paragraph 4.3. are, in fact, the consequence of scarce financial muscles and uneven necessity of labor over time. The operative word for small organizations is flexibility; this is often more a need than an actual strategic choice. Consultants of every sort, although considered by Plantagon's employees as their colleagues, are no more than external actors brought into the organization when needed – and paid accordingly. Same reasoning can be applied to the area of inter-organizational relationships, namely to the sub-area of technological development. Social enterprises, literature says, either conduct R&D activities relying uniquely on

their resources and capabilities or in collaboration with other organizations, as it is the case for every other kind of organization. In the specific case of Plantagon, however, it emerges that the choice to collaborate with Sweco was a relatively forced one. The reliance of Plantagon's business model on licensing and its vision to become a platform for sustainable innovation, indeed, impose the development of advanced vertical farming technology. Plantagon, especially in its early stage of organizational life, simply had not enough engineering resources to conduct the necessary R&D on its own. Then, physical (as shown by the close position of Plantagon's and Sweco's offices in Stockholm) as well as cultural (both Swedish companies) proximity attracted Plantagon and Sweco towards each other.

5.3. Unconventional model of outsourcing and selection of external partners

At the end of the previous paragraph, we touched upon one sub-area of the inter-organizational relationships. Within the analysis of partners' selection for external relationships, the second sub-area that must be covered is 'outsourcing'. The two possible answers given by the literature presented in Chapter 2 are the 'buy one, give one' model and the total absence of outsourcing. It is worth, here, refreshing the reader's memory about the 'buy one, give one' model. It essentially implies that the social enterprise commits to donate a product (to the developing world, for instance) for every product it sells (Battilana & Lee, 2014). In some cases, the company does not undertake the donation on its own but outsources it to another enterprise – either social or not. This model, unsurprisingly, was found not to be used by Plantagon; the very nature of Plantagon's product and service solutions, in fact, impede feasibility of such a model. What is interesting, however, is the unconventional model of outsourcing pursued by Plantagon and not previously found in the literature about social enterprises. Under this 'incubation' outsourcing model, Plantagon develops innovation concerned with sustainability of cities from different perspectives, including food, energy and water. Its greenhouse business thus becomes an 'egg' that is transferred to another company after the incubation process is over (i.e. Enspire). This model is relatively lean, as it allows Plantagon to focus on one big challenge at a time, come up with a commercially viable solution and outsource the management – and exploitation – of the related patent portfolio. This way, also the overarching mission expressed by the CEO of providing 'FEW for many' (i.e. food, energy, and water) can be pursued effectively without the need of growing too much in size and complexity the organization. There is, however, an obvious potential drawback in such a strategy: loss of control over the activities performed by the partners. So far, the advantages and disadvantages depicted are seemingly unspecific to social enterprises as such. If we dig further into the control loss problem, by the way, a social-enterprise-specific risk emerges: something we called previously in this thesis 'mission drift' (see paragraph 2.3.2.). In fact, loose control over the technology and its industrial applications can be harmful for companies and for their brand image; it can be even worse for social

enterprises that pursue a blended purpose. That is, social enterprises have the recurring necessity to protect their legitimacy in the eyes of the public, in order to diversify themselves from 'business as usual', greedy companies. External partners in charge of operating activities with Plantagon's technology (and its brand as well), may potentially bring further global fame and recognition, but also drifts from the mission Plantagon committed itself to pursue since the foundation.

A larger question, in the context of external relationships in general, arose in the theoretical framework (see paragraph 2.3.3.4.) and found answer in the interviews conducted: with whom can a social enterprise team up without losing sight of its moral and social commitments? The answer to this question provided by Plantagon's CEO was rather clear in its formulation, yet much less clear in day-by-day implementation. Partners are selected according to the 'criterion of the right cause': Plantagon looks for organizations willing to collaborate for the right cause. This criterion of partner selection appears in line with Plantagon's philosophy, but still somehow naïve and hardly applicable with thorough uniformity. In addition, the internal tensions that emerged in the example of Saab (illustrated by Mr. Pettersson and described in Paragraph 4.5.) denote that the democratic and diffused decision making process, based on large consensus about the fulfillment of ethical criteria from the partners-to-be, might be inefficient and slow. If on one hand, it is likely to help preserving the moral legitimacy and the brand image of Plantagon, on the other hand it might generate organizational conflicts and make Plantagon lose important market opportunities. Here the trade-off could not be clearer, and the task the CEO has to perform in selecting partners according to the 'right cause' a rather challenging one.

5.4. Workforce composition, organizational socialization, and the figure of the 'institutional entrepreneur'

It stands clear from the interviews conducted with Plantagon's employees and managers that the recruitment approach used is a 'mix-and-match' one, following the categorization introduced by Battilana and Dorado (2010). In fact, Plantagon's policy is to hire people from very different backgrounds, as long as they show a strong commitment toward sustainability. This is the prevailing criterion employed by the organization when recruiting. Such criterion is made even more evident by the fact that members of the nonprofit association are prioritized over non-members, since the membership is a tangible signal of interest in sustainability. Values, in the end, are considered more important than competences when selecting workforce. The mix-and-match strategy, again according to Battilana and Dorado (2010), may lead to faster growth but also to paralyzing tensions between subgroups. This drawback, however, was not found in Plantagon. The reason is that a common identity shapes the behavior of all organization members and subgroups never came into existence. This common identity is the consequence of a remarkable effort undertaken by the CEO and the Secretary General in the field of

organizational socialization. Whether it is "good intentions" (Mr. Mousavi) or "the legacy to bring something good for the society, for people, for business" (Ms. Grundemark), the socializing element is undoubtedly the long-term mission pursued. Therefore, recalling again the distinctions operated by Battilana and Dorado (2010), Plantagon was found using an 'end-focused' approach to organizational socialization. In addition, since all employees are selected based on their values, they are very likely to buy into the mission wholeheartedly; the different logics they hold, then, progressively align as a result of the continuous teaching through discussions that takes place within the organization.

The most striking feature found in Plantagon regarding organizational culture, however, is a sort of 'sectarian' spirit. People working at Plantagon, in fact, show an almost blind belief in sustainability, at least according to their words. The long-term purpose of turning cities into sustainable entities from a food, energy, and water perspective, thus 'making a difference' in the world we live in, is what drives everybody in the organization. The following words from the Office Manager explain the spirit shared by Plantagon's workforce: "I feel that I am doing something good by going to work every day. It is something more than just a job". On top of words, facts demonstrate this 'sectarian' spirit: everyone working for Plantagon owns a 10-year membership in the association. The 'sectarian' environment that the researcher experienced at Plantagon, whether it is a positive or a negative trait for an organization (and this judgement is left to the reader), is surely the consequence of a strong and visionary leadership – the leader being Hans Hassle. Just to provide two examples of Hassle's role, his book *Business as usual is over* (2012) was recommended by Mr. Pettersson at the very beginning of the initial meeting, and his books were also the first 'training to values' the Sustainability Strategist went through when he first approached Plantagon. What Hans Hassle is trying to do, both through his books and through Plantagon, is transforming the business world and shifting the dominant logic. Plantagon, for instance, combines aspects of conflicting established institutional logics. The companization model itself is a creation of the brain of Mr. Hassle. Therefore, the author can safely conclude that Hans Hassle is the 'institutional entrepreneur' (for a definition see Paragraph 2.1.3.) responsible for the emergence of a new organizational model, for the attempt to shift the dominant logic in the business world, and finally for the strong common identity shared within Plantagon. He is also a formidable communicator, or 'brainwasher' if one wants to be defiant. The result of his activity, ultimately, is an organization populated by people relentlessly striving for sustainability, ready to accept lower-than-industry-average salaries, and eagerly supporting Plantagon's mission even with their pockets (although the 10-year membership is not that huge as an expense). In Figure 12, some quotations regarding the 'institutional entrepreneur' Hans Hassle collected in the interviews with his colleagues are presented.

Figure 12. The Institutional Entrepreneur. Source: own elaboration.

The 'mix-and-match' approach, used by Plantagon in recruitment, was found also in the composition of the two Boards of Directors. The Board of the nonprofit association, in particular, is composed by six members, each in charge of a different chair, in turn connected to different duties. It is interesting to notice that here the mix-and-match strategy used for the Board composition is again complemented by a unifying long-term goal. However, competences and reputation are much more considered in this context, and tasks are assigned according to them. This trait becomes especially evident when it comes to finance: two members of the nonprofit association's Board come from a 'business as usual' background, and they have a great reputation in the world of finance. They sit in the Board because they are capable of helping Plantagon to become more financially independent. While in the workforce selection the rationale behind the mix-and-match approach was to prioritize values and eventually build competences, here the idea is to leverage differentiated competences, yet promoting a relentless commitment to sustainability.

5.5. The 'Reverse stream of funding'

The most difficult challenge that social enterprises face in running their business is securing appropriate financing to sustain activities. This task is especially complicated for Plantagon, since its management is not meant to go to the stock market or to banks to raise capital. Therefore, the solution designed by Hans Hassle – the

companization model – goes in the direction of solving this issue without exposing the organization to 'business as usual' means of financing. This creative new way of financing has been labelled by the author 'reverse stream of funding', as shown in Figure 10. Now this definition requires some clarifications.

As it was found in the literature about hybrid organizations, differentiated hybrids often finance the social activities they undertake through profits earned by the commercial side of the organization. It is indeed one of their most recurring features. If we consider this industry norm as the 'traditional' stream of funding, where money flows from the for-profit to the nonprofit side, then Plantagon's model may be safely defined as embedding a 'reverse' stream of funding. In fact, at Plantagon the nonprofit association is in charge of complementing financing, on top of the capital provided by the owners, at least in the short-term. In the long-term, instead, the association is expected to become the main – if not unique – source of capital for the companization as a whole.
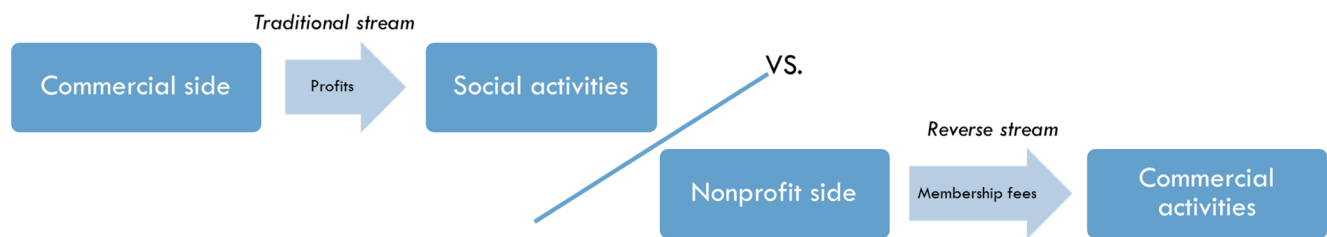

Figure 13. Comparison between traditional and reverse stream of funding. Source: own elaboration.

If we take as a benchmark the traditional forms of funding, such as banks, venture capitals, or angel investors, this way of collecting capital seems to provide relevant benefits. For instance, it gives a voice (i.e. voting rights in the annual meeting of the association) to the capital providers but at the same time preserves independency of the management; venture capitals, instead, usually tend to interfere to variable extents with the management of the organization they invest in. Another undeniable advantage is the cost of capital provided by the association members as opposed to banks and VCs: the return on capital they expect, at least in the short and medium term, equals to zero. In the long-term, however, association members' descendants are entitled to share the profits in the distribution of Plantagon Non-profit Association's benefits in the event of a sale of Plantagon International AB. This is the consequence of 'closure rights', which are assigned to members who pay a 10-year membership fee. It is worth recalling that such closure rights become 'active' only when they have been transferred from generation to generation six times or more. Hence, the investment by association members is a very long-term one, also in terms of payback by Plantagon – which is not even taken for granted. Ultimately, the reverse stream

of funding designed this way allows Plantagon to match the time horizon of its financing means with its long-term purpose of sustainability. If we take as benchmark the new forms of financing that are now gaining importance – and described in Bugg-Levine, Kogut & Kulatilaka, 2012 – such as quasi-equity debt, convertible debt, securitized debt, pooling funds, and social impact bonds, then at least two advantages are still out there for Plantagon. First, again, the cost of capital; new frontiers of debt and bonds are more adaptive and can be tailored to specific necessities, but they are by no means available at a zero percent interest rate. Second, the quality of this money is different from the money collected through the association memberships. This latter could sound to the reader as a rather naïve argument but it is worth some explanations. As the Sustainability Strategist put it in the interview conducted with him, Plantagon tries to "go to individual people that believe in the cause". It essentially aims at creating a community of 100,000 individuals who share the necessary risk, and who are firmly committed to give a tangible contribution to the development of innovative projects for a sustainable future. Consequently, people who decide to buy into the mission of Plantagon and to pay a membership fee are not simply capital providers. They are also mouthpieces of the mission itself and of the companization; they are, in a sense, Plantagon's ambassadors in the world. They are, ultimately, a source of contacts, renown, and even a source of workforce who shares ideals and values that drive Plantagon's activities. The latter has been covered extensively in the section about workforce composition; thus, it will not be explained further here.

Another interesting perspective about the reverse stream of funding that characterizes Plantagon has been provided by Mr. Mousavi, who defined it "a sort of more advanced version of crowdfunding". In fact, what Plantagon does (and will keep doing, hopefully with better results in terms of number of members) is not much different from crowdfunding through a web platform. The main difference is that usually the mechanisms of crowdfunding communities give very little power to speak up. Capital providers on crowdfunding platforms are often no more than drops in an ocean of money flowing into the project/venture. At Plantagon this is different, as a consequence of the peculiar companization model it has. Readers shall not forget that the association owns 10 percent of the company's shares. Therefore, association members are also minor shareholders of the for-profit side of the companization, and entitled to appoint indirectly half of its Board of Directors. As an association member, you are legitimated, for example, to go to the CEO of the for-profit side of the organization and complain about partner selection. If you believe that the partner Plantagon has selected for a specific project does not comply with the ethical framework that should guide its activities, you can object that decision and put back on the right track management's behavior. This feature of the companization model is probably one of the least technical, yet one of the most unconventional – at least, if the benchmarks are crowdfunding or 'business as usual' companies. The reverse stream of funding, in other words, is also a reverse stream of power,

responsibility, and awareness. The association really matters in the organization, and its members get to speak up in both entities. It is, as interviewees mentioned and Hans Hassle covers extensively in his books, the ultimate democratization of business.

Let us now cover the two big drawbacks of the reverse stream of funding mechanism. First, its efficacy has yet to be demonstrated. Out of the 100,000 individuals that Plantagon aims to involve in the community, 451 so far got on board; a figure rather insignificant, to use a euphemism. Whether one is optimistic or pessimistic about the actual validity of this model, evidence is simply not available to sustain either position and to draw a credible conclusion as such. Second, the process to attract new members in the association is absolutely not easy and not smooth. The Office Manager, for instance, highlighted how uneven is the pace of new registrations to the association, and how influenced it is by speeches given by Plantagon's members to the public during *ad hoc* events (Sustainability Innovation Summit and Urban Agriculture Summit in 2013, for instance). This is a somewhat relevant drawback of the model, as what is at stake is money, the blood that must circulate in the veins of a healthy and ambitious organization. Exactly as blood, it ought to have a stable flow. Furthermore, the dependency of new memberships' peaks on some particular personalities of the organization (e.g. Hans Hassle) and on their notoriety looks like a weakness.

We have reached awareness, at this point, of the novelty – and in a sense of the revolutionary aspect – of the reverse stream of funding, and more in general of the companization model. However, it is by no means a flawless model and only future will tell us how effective it is. Its generalizability to other hybrids, hence, depends on the answers that Plantagon will give to its customers, to the members of the association, and to all the stakeholders concerned with sustainability of cities in the world. The potential of the companization model to impose as a standard for hybrid organizations, in conclusion, is debatable and will have to be further explored.

6. Conclusions

In the introduction to this research piece, the author expressed the clear intention to analyze in depth the peculiar 'Companization' model used at Plantagon International, as it might possibly represent the new frontier of hybrid organizational models. The reason behind this choice was the realization that a turmoil seems to smolder beneath the ashes of current business world: the public demands for awareness and assumption of responsibility in environmental and social matters by companies (Kramer & Porter, 2011). After decades of almost fruitless CSR policies, the new response to these pressing demands could be hybrid organizations, especially in the form of social enterprises with a blended commercial-social purpose (Doherty, Haugh & Lyon, 2014). Hybrid structures, however, generate several managerial challenges to be dealt with, sometimes much different from the ones faced by 'business as usual' organizations.

6.1. The research process

Such challenges have been investigated in this thesis through a comprehensive literature review, which led us from the broad field of study of Institutional Logics to the five areas of 'hybrid organizing' where these challenges arise and are faced, touching upon the literature field of Profit-Nonprofit Partnerships. In order to assess how the different challenges are managed by a Companization such as Plantagon International, the research questions were formulated as follows:

The 'Companization' as a hybrid organizational structure: what challenges does it imply, why, and how to handle them from Plantagon's case?

How did Plantagon manage to implement a hybrid model that embeds a 'reverse stream of funding'?

In order to answer the research questions, an analytical framework has been developed drawing extensively from the literature about hybrids. In particular, combining different theoretical contributions the author has elaborated a framework (summarized in Figure 6, at the end of Chapter 2) which embeds five areas of organizational life, further disaggregated into sub-areas, each connected to a critical challenge and to two available options to face it, as found in the literature. Three relevant personalities within Plantagon, then, have been interviewed with the intent of understanding whether one of these two options was used or Plantagon's management adopted another approach – not found in previous literature. Finally, in the Discussion, the empirical findings collected during these interviews have been compared against the theoretical framework, and the main conclusions summarized in Figure 10 (at the beginning of Chapter 5).

6.2. Answers to the research questions

The outcome of this process is presented here: some straightforward answers to the questions at the basis of this research. As of the first research question, the main conclusion that can be drawn is that Plantagon experienced the same challenges as other social enterprises do; the uniqueness of the case relies in the solutions provided by Plantagon's management to those issues.

First, from a legal perspective, the challenge was to find an appropriate legal form to establish Plantagon. The responses individuated by scholars are either to use traditional for-profit or non-profit forms or to make use of *ad hoc* hybrid forms (if available). The interesting conclusion that can be drawn here is that the figure of the 'institutional entrepreneur' plays a major role in tailoring the legal form to the purpose of the organization, cleverly filling the legislative void still found in many countries such as Sweden. Following the example of Hans Hassle – the inventor of the Companization model – many other charismatic leaders all over the world might come up with new corporate arrangements to overcome the lack of 'ready-made' hybrid legal forms. Therefore, the author can safely conclude that through a sophisticated network of cross-ownerships and complementary responsibilities for Board members' appointment between the two sides of the organization, Plantagon demonstrated that entrepreneurs' creativity is much faster and more effective than legislator's endeavor.

Another interesting conclusion that can be drawn based on the research conducted is related to the criteria social enterprises utilize to select personnel and external partners. About workforce and governance, theory suggested that the two opposite approaches found in real business contexts are 'tabula rasa' and 'mix-and-match'. No clear recommendations about external partners' selection were found, instead, along the literature review. The peculiar case of Plantagon, which adopted a mix-and-match approach both for employees and for Board members, sheds light on a striking difference between social enterprises and 'business as usual' companies. That is, the importance of values and commitment to the long-term sustainability mission over competences and solid background. This finding, in the case of Plantagon, is further reinforced by the fact that members of the non-profit association are prioritized in the hiring process as compared to non-members; membership is, in fact, a tangible and unequivocal proof of belief in Plantagon's mission. The conclusion that the researcher wants to draw here is simple: the mix-and-match approach calls for an effort in 'organizational socialization' by managers of a social enterprise, but this task can be eased *ex ante* by introducing – and prioritizing – the 'value component' into hiring criteria. When it comes to select external partners, instead, whether it is for outsourcing, conducting R&D, or access financing, the main finding was the use of the 'good cause' criterion by Plantagon. It is safe to conclude, in this case, that the blended purpose pursued by social enterprises – and, specifically for Plantagon,

the Articles of Association included in the corporate structure – forces them to consider also ethical screening criteria while selecting partners. An additional explanation for this phenomenon is the relevance for social enterprises of legitimacy. Since legitimacy of behavior and avoidance of 'mission drift' are inestimable for such organizations, a compelling need for careful selection of partners emerges. To conclude and answer the research question, partners' selection for hybrids requires necessarily different-from-usual criteria, which in the case of Plantagon were observed to be a collaboration aimed at the 'right cause', and a democratic and diffused process of consensus building about the closing of a deal, especially with ambiguously moral external actors.

A noteworthy finding, not directly related to the research questions yet allowing for some conclusions, is the unconventional model of outsourcing pursued by Plantagon. In the literature about hybrids, the most common special outsourcing model individuated is the 'buy one, give one'. On the contrary, Plantagon adopts a completely different approach towards the outsourcing of its activities. Indeed, management sees Plantagon as an incubator of innovative solutions for sustainability of megacities. This is a rather firm-specific finding, due mostly to its mission and to its triple purpose summarized in the acronym 'FEW' (food, energy, water) for many. However, it is safe to conclude that Plantagon – and similarly other social enterprises concerned with environment and sustainability – embraced a 360 degrees perspective about innovation, aiming at becoming a comprehensive platform for it. This challenge influences directly the choice about outsourcing strategy. In other words, in order to preserve flexibility and at the same time generate and implement innovative solutions for different problems, Plantagon gives birth to an 'egg', incubates it, and then transfers it to other companies within its network, letting them run the business. This interesting model for outsourcing activities, as mentioned, is relatively firm-specific. However, it is potentially applicable by many social enterprises whose main focus is innovation, if they want to keep track of their core capability without sacrificing flexibility.

Findings about three other sub-areas have been presented and discussed in Chapter 5: trade-offs/allocation of resources, operational design, and incentive and control systems. In these topics, the main findings were that resource allocation does not really represent a challenge, everyone in the organization is in charge of several tasks both for the Company and for the Association, and incentives and control are based on trust and open discussion. The author, here, wants to recall some important features that belong to Plantagon and that relate to all these findings: Plantagon is a small-sized organization, with few employees, relatively few association members and a yet-to-be-proven business model. Even the choice to conduct R&D activities in collaboration with Sweco was partially forced by the size and by the constrained economic means available to Plantagon. These findings are probably specific to the evolutionary stage of the organization rather than to its governance model. Therefore, given a perspective of growth for Plantagon, the aforementioned elements could still be present – or not – in few years from now. In conclusion, Plantagon represents a very peculiar case, characterized by many

specificities, both deriving from its Companization structure and from the evolutionary stage it is experiencing now. Hence, although it is a 'talking pig' case (Siggelkow, 2007), results of this research must be judged with extreme care.

Finally, it is necessary to provide an answer to the second research question: *How did Plantagon manage to implement a hybrid model that embeds a 'reverse stream of funding'?*

The answer is threefold. First, Plantagon succeeded in this activity because it resorted to specific structural mechanisms to allow financing flow the other way around as compared to usual differentiated hybrids. These mechanisms are: 10 percent of shares of the Company assigned to the Association, Association's annual meeting in charge of appointing half of the Board members of the Company, and constraining the management to raise capital only from the owners or through the Nonprofit Association. Second, Plantagon relied – and will keep doing it – on public speeches given by relevant organizational personalities, often in self-organized events *ad hoc*, such as the Sustainability Innovation Summit and the Urban Agriculture Summit. These speeches are capable of boosting the rate of new association memberships, and consequently the amount of money flowing from the Association to the Company. Third, Plantagon managed to extend the boundaries of crowdfunding beyond the most common platforms (e.g. Kickstarter), creating its own web platform. Even more, it complemented crowdfunding with a long-term dimension that was missing, through the provision of 'closure rights' to people who sustain economically Plantagon's cause.

6.3. Theoretical implications

One of the purposes of this study was to find – and possibly fill – gaps in the existing literature about hybrid organizations and social enterprises. Two main limits in the theoretical categorization of hybrids arose during the process of analysis of the collected data. The first limit is in the prevailing distinction between 'differentiated' and 'integrated' hybrids. The attempt by the researcher to position Plantagon into one of these two sets led to the realization that they are not all-encompassing categories. It is not always possible, indeed, to consider a hybrid organization as completely differentiated or completely integrated. The distinction as it is right now runs the risk to be simplistic and based on too few discerning factors. One of these factors, the overlapping – or not – of customers and beneficiaries, leads the discussion to the second limitation of current theoretical concepts available for scholars willing to analyze hybrids. That is, the notion of 'beneficiary' itself; beneficiaries have been defined in Paragraph 2.3.2. as ultimate recipients of the social initiative, following the most accepted definitions found in this field of literature. However, this concept proved to be inadequate to frame social enterprises whose social mission deals with environmental sustainability. In other words, for such organizations beneficiaries are

likely to be the environment, the climate, the society and other rather vague groups of individuals. It is virtually impossible for these broad categories (sometimes not even composed by human beings as such) to be at the same time customers of the hybrid enterprise. Therefore, one would be tempted to always label this kind of organizations as differentiated hybrids. What happens then, as it was the case for Plantagon, is that if they do not experience trade-offs in their operations or if they are not much exposed to the risk of mission drift, the category of differentiated hybrids does not fit with accuracy. In conclusion, as it was pointed out in Chapter 2, this categorization is a continuum where the two options are just the extremities; many intermediate situations in real life may exist. Plantagon is a clear-cut example of such intermediate situations. Hence, it calls for its own specific spot within this continuum. Ultimately, the author believes that this continuum needs to be further complemented with organizational models in between the differentiated and the integrated extremities, such as the Companization structure, in order to be more relevant and more useful for future research in the field.

The theoretical contribution of this thesis, in addition to pointing out these limits in the existing literature, lies in an in-depth empirical documentation of the Companization model on the job, and in the discovery and categorization of new options available to managers of social enterprises, such as the 'reverse stream of funding' and the 'incubator' outsourcing strategy.

6.4. Opportunities for future research

The limitations of available frameworks for hybrids and social enterprises presented above represent two of the main areas for future research in this field. As already stated, the continuum between differentiated and integrated hybrids needs to be complemented with new organizational models, such as the Companization. This is a key opportunity for future research. Furthermore, the author is convinced that there is space for a longitudinal design study on Plantagon International, in order to assess the transformation of its organizational structure over time. The Companization model, indeed, is in a transitional phase and is expected to change features – possibly even radically – in the next few years. Hence, a researcher interested in this organizational model, and in the advantages that can offer to social entrepreneurs, should investigate Plantagon's evolution as an example. The next questions to be answered by academia are: how does a Companization model work at its maturity stage? Do challenges – and managerial responses to these challenges – show a significant variation? And, ultimately, is the Companization model effective and sustainable in the long-term?

In order to allow for future studies in the same field and possibly on Plantagon itself, the author has thoroughly pursued replicability of the study. Procedures followed along the process have been spelled out in great detail in the Methodology section (Chapter 3), and the interview guide is available in Appendix B. Therefore, a scholar

interested in validating the findings of this thesis or in moving from these findings towards a deeper analysis has been endowed with all the necessary information and tools.

6.5. Managerial implications

The other purpose of this thesis was to provide managerial recommendations to Plantagon International, drawing from knowledge gathered along the literature review conducted, and trying to tailor these findings to the peculiar situation of the case under analysis. The most relevant suggestions that the researcher can give to Plantagon's management are the following.

First, Plantagon should equip itself with a clearer structure of task allocation, distinguishing roles, responsibilities, and goals to be achieved individually. Second, it ought to establish unequivocal and measurable key performance indicators in order to endow managers with incentivizing and rewarding tools, thus promoting a healthy competition among organizational members, potentially capable of enhancing performances. Third, Plantagon should embed in its Articles of Association precise and understandable criteria for external partners' selection, with the aim of reducing space for personal interpretation and at the same time decreasing inefficiencies in the diffused and democratic process of consensus achievement within the organization about these issues. Fourth, it should definitely accelerate its activity intended to find association members. The whole idea of the reverse stream of funding is extremely interesting and might be appealing for other social enterprises as well. Nevertheless, its effectiveness needs to be proven by numbers. Finally yet importantly, Plantagon ought to apply carefully its strategy for outsourcing, selecting companies to rely on that are able to preserve – and even nurture – its brand image, reputation, and legitimacy.

Plantagon is now going through a crucial moment of its organizational development. It is experiencing, indeed, a transitional phase; in the stage it is approaching, tools and practices typical of a small organization will no longer be sufficient. The overarching unifying element of sustainability will keep triggering employees and managers. However, organizational mechanisms need to be institutionalized; organizational size – managerial theory says – grows together with rigidity. The agile Companization model proved almost flawless so far. Growth will test its efficacy in the near future, and managers will need to rearrange their behavior accordingly, without losing sight of the roots of the organization and of its vocation to challenge 'business as usual'.

6.6. Generalizability of the implications

The results collected during this research, and the implications deriving from them, are hardly generalizable to other social enterprises; even more to hybrids in general and to traditional companies. They are, in fact, largely context-specific findings, related to the peculiar conditions of the organizational environment under analysis. One must acknowledge that in a different country, in a different industry, in a bigger organization, or in a hybrid with a different blended purpose, applicability of findings in terms of effectiveness of managerial practices is very unlikely. As it was anticipated in the Methodology section, the real value of this case study lies in its uniqueness (see the 'talking pig' argument, found in Siggelkow, 2007), and not in the universality of the conclusions drawn.

6.7. Limitations of the research

The biggest limitation of this study is the absence of a different perspective, a benchmark or a comparison term, in favor of the reader. The author was well aware of this weakness from the beginning, which is the reason why he tried to contact another organization to include it in the research: Pennybridge. Unfortunately, it was not possible to involve them in the research. However, the task of providing to the reader an additional perspective that is relevant to the research question was rather difficult by itself. The exploratory nature of the study about a new-to-the-market organizational model impeded it in the first place. Moreover, the relatively short time available and the scarce network of contacts further complicated the task. In conclusion, the author suggests other researchers interested in this topic to conduct a comparative case study with other social enterprises pursuing the mission of environmental sustainability, or with non-hybrid companies operating in the vertical farming industry.

6.8. Conclusive remarks

This thesis, despite all its limitations and drawbacks, provides to the reader a comprehensive picture of the organizational dynamics within a social enterprise concerned with environmental sustainability. The author must admit that this long journey led him to the heart of Plantagon International; and there is no turning back. The aura of responsibility, innovativeness, courage, and ambition at Plantagon proved inspiring as much as the words from its employees and managers. An external observer, as the author has been, could not help himself buying into the mission wholeheartedly. Regardless of the evolution the organizational model will go through, people at Plantagon will definitely keep putting all their energy for a more sustainable food production in cities and for a more democratic and inclusive way of doing business. Ultimately, according to the author, this is what really matters.

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Appendices

Appendix A – Interview schedule

Interviewee	Position within Plantagon	Date	Place	Length of interview	Language
Mr. Owe Pettersson	Chief Executive Officer	27/02/2017	Plantagon's HQ, Rålambsvägen 17, Stockholm	108:51 minutes	English
Ms. Sara Grundemark	Office Manager	21/03/2017	Skype interview	76:58 minutes	English
Mr. Sepehr Mousavi	Sustainability Strategist	11/04/2017	Plantagon's HQ, Rålambsvägen 17, Stockholm	86:20 minutes	English

Appendix B – Interview guide

Interview to the CEO – Mr. Owe Pettersson

1) What is the story behind Plantagon?

2) What are the main activities that Plantagon performs?

3) Did you carry out the R&D process by yourself or in partnership with another organization?

4) What are your innovations?

5) Which countries does your patent portfolio cover?

6) Is the rationale behind patenting just protecting your technology or the idea is to license?

7) Do you think that your technology will be in the next future the standard for growing food in urban environments?

8) You mentioned before that it was a deliberate decision not to build a prototype but to focus on building the brand. Why did you take such a decision?

9) Why did you choose the companization form? Was there any other legal option available for you in Sweden?

10) Why did you introduce 'closure rights' in the nonprofit side of Plantagon?

11) You mentioned business culture before. Is it a tricky task to reconcile the two different logics living within Plantagon into a common one?

12) How do you measure and reward results by Plantagon's employees?

13) Were the owners pressing you to achieve black bottom line results in few years or not?

14) Do you feel there is the risk for a 'mission drift'? Will the mission of having a positive impact on the world through sustainability always guide your operations in the future?

15) How big is now Plantagon? How many employees? How many members do you have in the association?

16) From the point of view of Swedish authorities (government, tax agency…), is Plantagon a single organization or a mix of two different entities?

17) Did your personal mindset change when you transferred from the banking sector to Plantagon? Would you be able to come back to a 'business as usual' company?

18) What is the background of other people working for Plantagon? How did they adapt to this new way of doing business?

19) You mentioned values and competences. When it comes to hiring, which of them do you prioritize?

20) How do you assess values?

21) Do the Articles of Association provide you clear and binding guidelines (for example, for selection of partners) or they have to be interpreted case by case?

22) You said, "We can work with almost every company as long as it is for the right cause". Who is in charge of assessing whether the cause is right or not?

23) Who takes part to the Annual Meeting?

24) What is the role of Enspire? Do they have a hybrid structure or a social mission embedded in their founding principles? How do you make sure that Enspire works in an ethical and responsible way?

25) How do you preserve legitimacy of Plantagon and its brand image?

Interview to the Office Manager – Ms. Sara Grundemark

1) What is your personal background? Did you work in other companies before?

2) How long have you been working in Plantagon?

3) Why did you choose Plantagon?

4) How many people have you worked with here? How many were unexperienced students?

5) Who are Plantagon customers?

6) Is there a common identity within Plantagon?

7) Have you been trained to Plantagon's corporate values? And to the competences necessary for your job?

8) How would you define Plantagon's culture in few words?

9) Do you feel like everybody is committed to the mission or rather to the means used to accomplish the mission (i.e. operational excellence)?

10) Do you ever feel tension between the two components of the organization?

11) What do you think about control and incentive system in Plantagon? Is your wage linked to any performance index (either commercial or social)? Do you ever get bonuses?

12) Does Plantagon International ever face trade-offs in resource allocation between the association and the company?

13) Do you feel like all activities are entitled to the same organizational members or they are compartmentalized in sub-units?

14) How do you relate with Mr. Pettersson, Mr. Hassle and other people from both sides of Plantagon?

15) Do you participate in the Annual Meeting? How is the environment in these meetings?

Interview to the Sustainability Strategist – Mr. Sepehr Mousavi

1) Could you please explain briefly the helix structure, the double skin façade and the other innovations developed by Plantagon?

2) What is and has been the role of Sweco in R&D?

3) Does Sweco own any part of your patents? Who is the owner of Plantagon's patents?

4) How much is worth Plantagon's patent portfolio?

5) What is Plantagon's strategy for sustainability?

6) What is the role played by real estate developers?

7) Does Plantagon International ever face trade-offs in resource allocation between the association and the company?

8) Do you ever find yourself performing tasks for the Association instead of your usual tasks for the Company?

9) Do you consider the external consultants as your colleagues/part of your staff?

10) Do you have any bonuses or other incentives? Do you have any control systems?

11) What is your personal background?

12) How do you relate with Mr. Pettersson, Mr. Hassle and other people from both sides of Plantagon?

13) What is your opinion about Mr. Hassle? Would you define him an 'institutional entrepreneur'? (i.e. actor potentially capable of transforming the dominant logic, either leading the shift to an alternative one or reconciling two conflicting logics)

14) Is there a common identity within the two sides of Plantagon?

15) Do you have a 10-year membership in the Association?

16) Have you been trained to Plantagon's corporate values?

17) Have you been trained by Plantagon for the competences needed for your job?

18) Are you more committed to the long-term mission of sustainability or to achieving excellence in daily tasks?

19) You participate in the Association's annual meeting as a board member. How is the environment in these meetings? What are your tasks as a board member?

20) Are there any tensions during these annual meetings with the other members? Do you always operate and decide according to the Articles of Association?

21) What activities has the Association done so far? Who are the beneficiaries of its activities?

22) Could you please explain briefly the 'standardization' project you are working on? Is that together with other companies? Will Plantagon in the end be the one imposing the standard or just part of a pool of companies?