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**The Distinctive Managerial Challenges of Social Hybrid Ventures:
A Human Capital Perspective**

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SUMMARY ESSAY

1. Introduction

1.1. Hybrid social ventures

A hybrid organization is established based on more than one institutional logic to meet two different demands in the same time (Pache & Santos, 2010). In most cases those demands compete and might collide. Social ventures (SVs) are organizations established based on two logics: social and commercial. Those organizations meet the demand of creating social value for their beneficiaries simultaneously with their efforts to generate money through entrepreneurial activities in order to pursue financial sustainability (Doherty, Haugh, & Lyon, 2014; Pache & Santos, 2010; Santos, Pache, & Birkholz, 2015; Smith, Besharov, Wessels, & Chertok, 2012; Tracey & Phillips, 2007). Therefore, SVs are characterised by hybridity (Bromberger, 2011; Doherty et al., 2014; Haugh, 2007; Lee, 1937; Santos et al., 2015).

Both demands of SVs are equally important for SVs to achieve social goals and financial sustainability (Alberti & Varon Garrido, 2017; Santos et al., 2015). However, the commitment to respond to both demands at the same time creates distinctive challenges when managing SVs (Doherty et al., 2014; Tracey & Phillips, 2007) such as the challenge to maintain the growth of social value as well as the economic viability (Smith et al., 2012). In other words, the challenge to keep both missions in the core of the organization, which would ask for a capacity and human resources capable of managing both missions and avoiding the risk of mission drift (Miller, Wesley, & Williams, 2012; Pache & Chowdhury, 2012; Tracey & Phillips, 2007). Another distinctive challenge is managing the conflict that might occur when having the two demands in the core (Battilana, Lee, Walker, & Dorsey, 2012; Doherty et al., 2014). This conflict can happen between internal stakeholders (i.e. employees, volunteers, founders) who can be divided in two groups of conflict (social group and commercial group), which in turn, is expected to have an impact on the organization's identity (Tracey & Phillips, 2007). The conflict can also exist between external stakeholders (i.e. beneficiaries, clients, investors, 3rd sector,

government) who might have conflicting demands from the organization (Alberti & Varon Garrido, 2017; Santos et al., 2015). The organization will then require different competences not only able to handle this conflict, but also transform it into blessings and benefits for the organization (Alberti & Varon Garrido, 2017; Hockerts, 2015; Smith et al., 2012).

Because of those distinctive challenges, SVs have the demand for human resources with a set of different competences to embrace such challenges (Kickul, Janssen-Selvadurai, & Griffiths, 2012; Miller et al., 2012; Pache & Chowdhury, 2012; Plaskoff, 2012). However, the literature stresses that there is a lack of human resources with such competences to effectively manage SVs with hybrid nature (Battilana et al., 2012). Therefore, an issue in the hiring process (Battilana et al., 2012; Bruneel, Moray, Stevens, & Fassin, 2016) has also been raised as a consequence for this demand and for the lack of potential employees with previous knowledge and experience at hybrid organizations.

In order to address the lack of potential employees with previous background at hybrid organizations, two ways were proposed in the literature. First one, which is based on a long term vision, is social entrepreneurship (SE) education. This education is meant to target students of the management and business schools to equip them with the required knowledge and competencies to manage hybrid organizations with two competing demands (Plaskoff, 2012), this is a way to provide future managers with for such organizations.

Second, the literature opined that having a homogenous team at organizations with two institutional logics would bring the different competencies needed to manage the two logics and demands; however, it is still unknown if a homogenous team performs better than a heterogeneous one (Beugré, 2016; Doherty et al., 2014).

1.2.Social entrepreneurship education

Business and management schools' interest in offering SE education has significantly increased in 2014-2015 compared to 2004-2005 (Spais & Beheshti, 2016). Pache and Chowdhury (2012) stressed that SE education is still new and “suffers from a lack of clear

theorizing”. Thus, a limited number of theoretical models on how to teach or conduct training for SE have been developed and published in academic Journals, and few of them were focused on the hybridity issue (i.e. Smith et al. 2012; Kickul et al. 2012; Pache & Chowdhury 2012).

Nonetheless, the model developed by Smith et al. (2012), which is called the “paradoxical leadership model for social entrepreneurs”, strictly connects the demand side with the supply side. The demand side is represented by the distinctive challenges occurred when managing organizations with two institutional logics, while the supply side is represented by the skills required to embrace such challenges. This model is based on the theoretical perspective of the paradox theory (Lewis, 2000), which provides astuteness about the source, nature, challenges and responses of competing demands in organizations. For an overview of the paradox theory literature, see (Smith & Lewis, 2011; Smith & Tracey, 2016).

Smith et al. (2012) were among the first to build a model that correlates the challenges emerged in managing the tensions between the competing demands (social and commercial) at social hybrid ventures with the required skills and pedagogical tools for teaching these skills. The main argument of Smith et al. (2012) is that “social and commercial sides of a social enterprise are not isolated from one another. Rather, they are inherently interrelated and often conflicting”, thus managing social and commercial demands asks for a different set of skills than those required in a traditional enterprise (Miller et al., 2012; Pache & Chowdhury, 2012; Plaskoff, 2012; Smith et al., 2012; Tracey & Phillips, 2007).

The structure of the model is demonstrated in three levels: first, the main challenges emerge when managing social hybrid ventures: “maintaining both social mission and commercial viability” and “overcoming intractable conflict”. Second level illustrates the meta skills and specific skills associated with the two challenges above. The third level provides suggested pedagogical tools to teach the specific skills identified in the second level. The model proposes an interesting set of specific skills, nonetheless, the two associated challenges are still

very general and do not demonstrate how the distinctive challenges of hybrid SVs might look like in practice. A need for more specific challenges is argued to be as important to improve theorizing SE education. On a practical side, and building upon the model of Smith et al. (2012), Tracey and Philips (2007) asked how business and management schools would respond to the different skills required to prepare managers for social hybridity ventures. Therefore, an understanding of how universities teach SE and whether they meet the mentioned demand are exposed for investigation.

1.3. Heterogeneity of the founding team at social hybrid ventures

Dufays & Huybrechts (2016) have proposed, based on entrepreneurship and institutional logics concepts, that the founding team's heterogeneity with regards to education and professional experience would more likely bring hybridity to the organizations they establish. Estrin et al. (2016) also highlighted "the importance to considering heterogeneity in the effects of general human capital on both individuals' skills and preferences", this might advance our understanding on some of the reasons behind the emergence and performance of different types of organizations such as social hybrid ventures. Several studies examined the prediction of different entrepreneurial outcomes by the organizations' human capital (examples of entrepreneurial outcomes are like organizations' emergence, growth, attractiveness for venture capital ...etc.), some popular studies were conducted by Colombo, Delmastro, & Grilli, 2004; Colombo & Grilli, 2005, 2010. However, a majority of those studies were focused on traditional enterprises, while few examined the role of human capital on hybrid SVs such as Estrin, Mickiewicz, & Stephan, 2016; Rey-Martí, Ribeiro-Soriano, & Sánchez-García, 2016; Scarlata, Zacharakis, & Walske, 2016. Yet, there is a lack for empirical evidences on the impact of heterogeneity in human capital on the emergence and performance of social hybrid ventures (Beugré, 2016; Doherty et al., 2014; Scarlata et al., 2016).

The human capital theory (Becker, 1975) is defined by general and specific human capital, where the general human capital is the knowledge and skills obtained through formal

education (explicit knowledge), while the specific human capital is the knowledge and experience obtained via professional experience (tacit knowledge). The theory states that the human capital of the firm's founders and workers predict the firm's entrepreneurial outcomes. Since emerging SVs with hybrid nature are mostly small, founders are expected to have the major influence on their organizations (Scarlata, Walske, & Zacharakis, 2017).

2. Research objectives and contribution

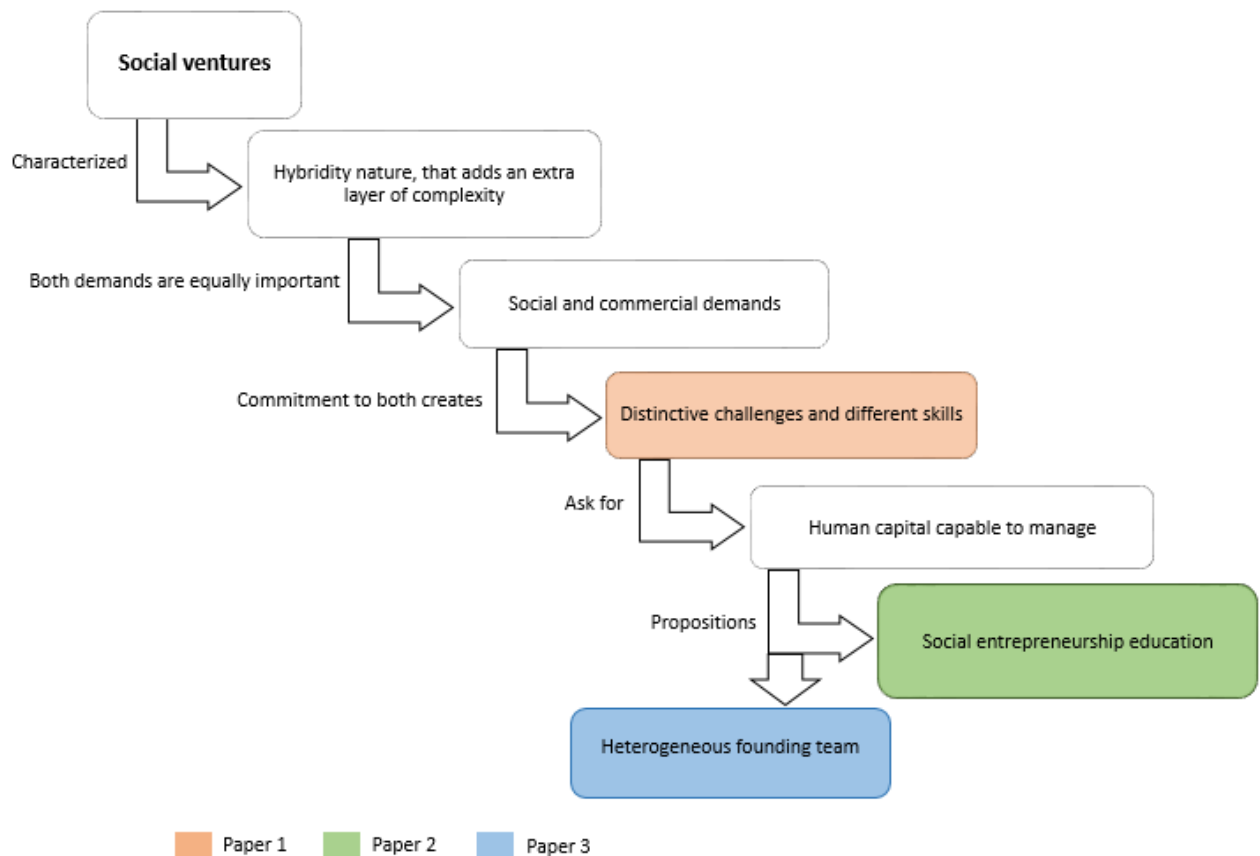
This work seeks to fill the lack of human resource issues in existing research at social hybrid ventures by exploring the two propositions stressed in the literature; the emergence of SE education and the heterogeneity of the founding team. In particular, this work:

- (i) Extends the paradoxical leadership model of Smith et al. (2012) by exploring how the distinctive challenges of social hybrid ventures look like in practice, whereas specific challenges are elicited from an empirical study and then associated with the specific skills proposed in the model.
- (ii) Evaluates the SE education taught at all Italian universities based on the specific skills suggested by Smith et al. (2012) model, which would advance our understanding on whether this education is capable of preparing human resources able to manage the distinctive challenges at social hybrid ventures. On the other side, this work is also intended to learn from the Italian case, with respect to the employed pedagogical tools there in order to contribute to the model of Smith et al. (2012).
- (iii) Provides empirical evidences to respond to the poorly addressed question, especially by quantitative studies of the emergence and performance of hybrid organizations (Scarlata, Zacharakis, & Walske, 2016), doing so by studying the impact of the heterogeneity of the founding team at social hybrid ventures on the emergence and performance of such organizations.

To address the three objectives above, Figure 1 summarizes the research framework that answers the following research questions:

- (i) How do the distinctive managerial challenges of hybrid organizations appear in practice? Which skills can be developed to respond to those challenges? (Paper 1)
- (ii) Does SE education prepare human resources to manage hybrid SVs? How? (Paper 2)
- (iii) How does the heterogeneity of SVs' founding team impact the emergence and performance of the organization? (Paper 3)

Figure 1. Research framework



By doing that, this work contributes to prior research in several ways:

- (i) It adds to the debate regarding the distinctive managerial challenges of hybrid organizations (Simón-Moya, Revuelto-Taboada, & Ribeiro-Soriano, 2012). Those distinctive challenges ask for different managerial competencies than those needed for traditional ventures (Battilana et al., 2012). However, SE education, which is expected to contribute to the capacity building of SVs as hybrid organizations (Kickul et al.,

2012),“ suffers from a lack of clear theorizing” (Pache & Chowdhury, 2012). The empirical analysis of this study is framed by the model proposed by Smith et al. (2012). Based on this framework, the paper analyses show a better understanding of how the distinctive specific challenges look like in practice, accordingly, the model implied by Smith et al. (2012) has been extended. The model is extended by, first, correlating the investigated distinctive specific challenges. Second, those specific challenges are associated with the model’s specific skills and pedagogical tools. This extended model as an outcome of this paper contributes to the theorizing of SE education.

(ii) It employs the theoretical model developed by Smith et, al. (2012), whereas all SE courses at management and business schools in Italy are evaluated based on this theoretical model.

(iii) Few empirical studies exist in the domain of evaluating SE education, particularly concerning a country-based case. However, a number of studies evaluate the impact of such education on the students’ intention to become social entrepreneurs (Ayob, Yap, Amat Sapuan, & Abdul Rashid, 2013; Konaklı, 2015; Salamzadeh, Azimi, & Kirby, 2013). Another study by Miller et la. (2012) compared the perspectives of practitioners and educators on the importance of SE competences, while this study aims at assessing the SE courses and delivered material on a country level and investigate its capability to prepare students with the required knowledge and skills to manage hybrid SVs in the future. Moreover, to the extent of the authors’ knowledge, no previous empirical work used the developed paradoxical model by Smith et al. (2012) to evaluate SE education.

(iv) It also responds to the poorly addressed question, especially by quantitative studies, of the emergence and performance of hybrid organizations (Scarlata et al., 2016). It does so by testing the model proposed by Dufays and Huybrechts (2016) who have developed a set of propositions focusing on the heterogeneity of the founding team as

a possible driver for the emergence of hybrid organizations. Considering the link among human capital and organizational performance (e.g. Battilana & Lee, 2014; Mair, Mayer, & Lutz, 2015), this study extends the model of Dufays & Huybrechts, 2016 by including the organizational performance to advance our understanding on whether the performance in addition to the emergence of the organization are influenced by the heterogeneity of the founding team.

- (v) Few empirical evidences on the antecedents and the outcomes of hybrid organizations. For instance, Scarlata et. Al (2017) conducted a study comparing the human capital of SVs with traditional ventures. They found that education and experience of the founding team do matter in hybrid organizations; founders of such organizations have high levels of commercial and social experiences and are less educated in business, engineering, science and law than founders of traditional organizations. While, Estrin et al. (2016) studied the general (education) and specific (experience) human capital as motivators for social and commercial entry, they found that “general human capital is relatively more important for SE while specific human capital is relatively more important for commercial entrepreneurship”. Another study was done by Scarlata et al. (2016), in which they conducted a quantitative study on 43 firms studying whether experience in commercial and social efforts positively influence the performance of philanthropic venture capital firms, which are dual-objective organizations. They found that individuals with more commercial experience are more likely to positively influence the economic performance of their firms. Also, social experience has a positive impact on social performance, while coupling social and commercial experiences significantly decreases the social performance as well as the total performance of the firm. On the other hand, Rey-Marti et al., (2016) examined the impact of different factors on the size of a social enterprise. They found that founders

with relevant experience (specific human capital) have a positive influence on the growth of their enterprises. Although these studies have interesting results with regard to the human capital of SVs, but they are still limited and none of them investigated the impact of heterogeneity in human capital on hybrid organizations, this effort is a step forward to fill this gap in the literature.

3. Papers summary

In this section, a summary of each paper is presented, however, full papers are available in the appendices section. Please note that all three papers were written by Farah Al Taji and Irene Bengo, however, Farah Al Taji is the main correspondent author for the three papers.

3.1. The Distinctive Managerial Challenges of Hybrid Organizations: Which Skills Are Required? (Paper 1- accepted at Journal of social entrepreneurship)

3.1.1 Research objectives

This paper investigates how the distinctive managerial challenges of hybrid organizations look like in practice and which skills can be taught to respond to those challenges. It aims first, to understand the demand-side by investigating, empirically, the distinctive challenges of social hybrid ventures. Austen et. al (2006) defined three managerial aspects that are mostly associated with the distinctive challenges at such organizations; organization mission, financial resources, and human resources. This paper elicits the managerial challenges and correlates them with the three managerial aspects. The second aim is to employ the specific skills and pedagogical tools suggested by the “paradoxical leadership model for social entrepreneurs” (Smith et al., 2012) to respond to the extracted specific managerial challenges.

3.1.2. Methodology

The research adopted an in-depth study of Italian social incubators/ accelerators and Italian SVs. Data were collected from multiple sources to capture key dimensions of the problems analysed (Yin, 1994), these sources being in-depth interviews, websites, and direct observations. The analysis was conducted with managers of social incubators and accelerators in Italy, as well as a number of founders of Italian SVs. With regards to the data collected through the social incubators/ accelerators, the primary source of data was in-depth interviews (Goldman & McDonald, 1987) with the managers of incubators and accelerators in particular, the interviewees were selected according to their ownership of responsibility for the incubation

and acceleration programs, in addition to their role to follow up the progress of the incubated/accelerated SVs. While the primary source of data collected with respect to the SVs was in-depth interviews with the founder/s of each SV, the interviewees were selected according to their main role to establish and then manage their SVs since the birth of the idea. Overall, nine in-depth interviews were carried out. Furthermore, this study had the opportunity to enrich data collected with follow-up and informal discussions with the above informants. Each interview lasted between 60 and 120 minutes. All the interviews were conducted one-on-one, face-to-face except for one interview which was via Skype, and all were conducted in Italy. Each interview was voice recorded and transcribed.

3.1.3. Results

Data from the interviews elicited four themes of challenges that are distinctive for SVs with competing demands, these were: the risk of mission drift, the need for impact measurement, stakeholders' conflicting demands, and SV based on new technologies. Each one of these challenges has different implications under the three managerial aspect defined by Austen et al. (2006): organization mission, financial resources, and human resources. However, an unexpected outcome of the results is the challenge of SV based on new technology. The results show that a new technology such as Blockchain adds a third dimension in addition to the other two dimensions (social and commercial).

The second part of the results is connecting the four specific challenges extracted in the first part with the six specific skills suggested by the model of Smith et al. (2012): adopting an abundance mentality, embracing paradoxical thinking, recognizing the distinct value of each domain, mindfully attending to distinctions between domains, developing trust, openness, and Cultural Sensitivity and seeking synergies in decision making.

Thinking and Communication skills with internal and external stakeholders illustrate the most needed skills, whereas, the suggested specific skills in the model of Smith et al. (2012)

strongly focused on soft skills, thinking abilities and fieldwork of which are highly required in managing SVs with hybrid nature. However, further improvement on the model is still required to fully embrace the extracted specific challenges.

3.2. Does SE education prepare human resources to effectively manage hybrid organizations? (Paper 2 – submitted to Academy of Management Learning and Education)

3.2.1. Research objectives

Having both the market demand for employees with managerial competencies to manage the social and commercial demands at SVs as hybrid organizations, and on the other hand, the emergence of the SE education at institutional level, raised the following research question: Does the existing SE education at institutional level meet the market demand for capable employees to manage SV hybrid organizations? And how? This paper aims to address those questions by employing the theoretical model developed by Smith et, al. (2012), whereas all SE courses at management and business schools in Italy are evaluated based on this theoretical model.

Italy is selected for this study as a non- Anglo-Saxon country where it is considered a good setting for the study given its long tradition in the area of social cooperative and SV. In an executive summary reported in 2014 by the European commission mapping the SVs and their eco-system in Europe, it has been stated that Italy is “the only EU country with both a law on social cooperatives (legal form) as well as a law on social enterprises (legal status)”, additionally, it is one of the EU countries that a majority of its SVs are characterized by hybridity because they derive their main revenues from market sources. Furthermore, European Commission has reported that Italy is one of the EU countries which provide services and special support for SVs in there, moreover, Italy is the only EU country which states the “social reporting” as compulsory for SVs (European Commission, 2014). Thus, SVs in Italy occupy an important space in the Italian market supported by law and policies and the majority is

characterised with hybridity, which in turn, would demand for competencies capable to effectively manage such ventures considering their hybrid nature and how the market is changing. On the other hand, SE education is evolving in Italy, but still not sure whether this education and SVs in Italy are co-evolving simultaneously.

3.2.2. Methodology

Guided by Millar et al. (2012) methodology contribution of content analysis of SE courses description, we targeted the business and management schools in Italy that offer SE courses at bachelor's and master's degree levels and then applied content analysis to examine the skills taught and pedagogical tools integrated into their course syllabi.

To perform the content analysis of the SE course syllabi on a country level, we followed the following steps. First, since the target is institutional education at bachelor's and master's degree levels, all Italian universities (public and private) were identified. Second, searching each university website by looking for departments and faculties of management, business, economics and/or management engineering to identify related courses. By reviewing each website, courses with a focus on SE and/or social innovation were identified and all available course syllabi were collected. Third, in both cases of whether the syllabus was available online or not, the correspondent lecturer or coordinator of the course were contacted by email to provide a copy of an updated course syllabus if it was different from the published one and if possible, to provide information on the number of students who have taken the course in the last academic year. Fourth, since most of the course syllabi were in the Italian language, the "translate to English" option at Google Chrome was used to translate them into English.

The content analysis method employed on the collected course syllabi was based on Smith et al. (2012) model, where each syllabus was analysed for evidence of the specific skills and pedagogical tools suggested in the model. The course syllabus was analysed including learning objectives, course description, topics, assessment, references and readings.

3.2.3. Results

Eight SE syllabi from seven universities were collected. All 8 courses are from the graduate programs. One university out of the seven, delivers two courses about SE for their students: a module and a laboratory. However, the geographical distribution of those 7 universities indicates that 6 courses out of 8 courses are given in the north of Italy, while the remaining two courses are based in the centre, which leaves the southern part of Italy free of social entrepreneurship courses.

The top two specific skills taught in SE courses at Italian universities include: recognizing the distinct value between domains and seeking synergies in decision making. The first one is examined in all 8 courses, it is presented in teaching managerial skills through creating business models, social impact measurement, and financial management. While the second one is shown in 5 courses, it is demonstrated through teaching scaling strategies, decision-making process, and learning from what visiting practitioners say. On the other hand, the skills that lack attention in the reviewed courses are three: first, developing trust openness, and cultural sensitivity, which is shown in only 1 course. Second, embracing paradoxical thinking. It was examined in 3 courses. And third, mindfully attending to distinctions between domains, which was seen in 2 courses. Those three skills are highly associated with soft and thinking skills. It has also been noted that few of the reviewed courses use the pedagogical tools suggested by the model

However, other tools are used by the reviewed courses. Business plan development and role modelling integrative decision making were the most used compared to other tools; however, both tools are only considered by 3 courses out of 8.

Four courses showed a medium level of specific skills implication with 3 or 4 skills examined in their syllabi, while three courses showed low performance with regards to the specific skills with 1 or 2 skills shown in their syllabi. Only one course indicated a high level of skills' implications with 5 skills out of 6 recognized in the course syllabus.

The focus of the reviewed SE courses is more based on theory building and managerial tools. Theory building such as theory of change, multi-stakeholder approach and economic theories. Managerial tools like social impact measurement, financial management, simulation, and scaling strategies, while the other pedagogical tools used are more traditional such as case studies, lecturing and simulation.

3.3. The influence of founding team heterogeneity on the emergence and performance of hybrid organizations (Paper 3)

3.3.1. Research objectives

This empirical paper aims to respond to the poorly addressed question, especially by quantitative studies, of the emergence and performance of hybrid organizations (Scarlata et al., 2016). It does so by testing the model proposed by Dufays and Huybrechts (2016) who have developed a set of propositions focusing on the heterogeneity of the founding team as a possible driver for the emergence of hybrid organization. Considering the link among human capital and organizational performance (e.g. Battilana & Lee, 2014; Mair, Mayer, & Lutz, 2015), the study extends the model by including the social performance. This paper aims at advancing our understanding on whether the emergence and social performance of social hybrid organizations can be predicted by the heterogeneity in human capital of the founding team. The human capital theory has been popularized by Gary Becker from the University of Chicago. Human capital refers to the competencies, knowledge, social, and personal attributes. The theory basically states that greater human capital is associated to influence better ability to perform a specific task (Dimov & Shepherd, 2005).

3.3.2. Methodology

To answer the research question of this paper, a set of hypotheses were developed and tested. The empirical study was based on a survey among social organizations in Italy. The administered survey included subjects about background education and experience of each founder of the organization, organizations' social performance during the last two years from the date of survey, and the organizations' source of funding to identify the hybridity factor. Constructs measured were: hybridity level, social growth, heterogeneity in background education, heterogeneity in previous experience, and heterogeneity in self-employment experience. With 12.5% response rate, 456 completed answers were collected and analysed with correlations and linear regressions.

The sample of social organizations was extracted from AIDA database. The total population of 9204 social organizations in Italy, including the three legal forms: 8000 social cooperatives, 117 SIAVs “startup innovativa a vocazione sociale” and 1087 social enterprises. The sample was randomly selected employing three stratifications: legal form (social cooperatives, SIAVs, and social enterprises), region (North, South, and centre), and the size of the organization (micro, small, medium, and large). The random sample size has been calculated using the sampling equation with 95% confidence level and around 1.25% margin error, the sample size became 3682 which is 40% of the population size. The survey has been tested first by five SVs’ founders/ managers who provided with feedback before launching the survey in May 2017. It was conducted via email and phone survey. On the cover letter of the survey, it was asked of the founder or upper management to complete the survey in order to get information as accurate as possible.

3.3.3. Results

Findings highlight that SVs which are more likely to be hybrid (in addition to being social, they rely on self-financing) have founding teams with less heterogeneity in education (general human capital) but with higher heterogeneity in self-employment experience (specific human capital). Furthermore, heterogeneity in specific human capital (experience in self-employment) increases the social growth of SVs. The findings also showed that higher heterogeneity levels in both education and experience increase the social growth of SVs.

4. Implications for academic research

Although this thesis provides evidences that deal with the Italian case, we argue that those evidences are interesting for the international context because of the results that contribute to theory and academic research as explained in the following.

The first paper extended the model of Smith et al. (2012) which is expected to contribute to the theorizing of SE education. Thinking and communication skills with internal and external stakeholders illustrate the most needed skills, whereas, the suggested specific skills in the model of Smith et al. (2012) strongly focused on soft skills, thinking abilities, and fieldwork of which are highly required in managing SVs with hybrid nature. However, two points for further improvement are suggested as follows; first, to allow for more experimental learning (Chang, Benamraoui, & Rieple, 2014; Pache & Chowdhury, 2012; Tracey & Phillips, 2007) in order to enhance communication skills with different actors in the SE system. Second, to strengthen the model with more theoretical bases in addition to the suggested specific skills, whereas the interaction between individuals, field (practice) and domain (theories) are argued to provide with a sufficient learning experience and to encourage creativity (Csikszentmihalyi, 1999). The extended model, suggested by this work, provides a ground on how to correlate theories with the model to further enhance students' knowledge on hybrid organizations.

The second paper provides a set of recommendations, inspired by the reviewed courses, that aim at suggesting to improve the paradoxical leadership model (Smith et al., 2012). First, since this paper used the model to evaluate SE education on a country level, it is important to state that the model is clear enough to be used to evaluate SE courses based on the model's specific skills. However, this evaluation is lacking from the students' perspectives. To do so, measures for each specific skills are required to be developed in order to measure the impact of such courses on the students' skills. Second, the pedagogical tools suggested in the model are still few examples, they can be enriching with other pedagogical tools such as what has been suggested in the paper; learning from the Italian experience. Third, the model does not

demonstrate how the theory can take place in the classroom, however, it is an important part of building students' knowledge and skills. It is recommended to strengthen the model with more theoretical bases in addition to the suggested specific skills. One suggestion on how to integrate theory and practice in the model, as a learning lesson from the Italian experience, is the for two course fold (course and laboratory) to be delivered to the same students where teaching theory and practice can both take place and provide space for the specific skills implications. The model can be improved to include theory along with skills in a way to be delivered in two courses for the same students to ensure delivering better learning experience. The results of this paper show which theories can be thought to enrich each specific skill.

The third paper contributes to the literature on SE, institutional logics, and human capital by understanding the influence of human capital on the emergence and performance of social hybrid ventures. These results support human capital theory and the model of hybrid collective entrepreneurship (Dufays & Huybrechts, 2016), in particular that heterogeneity in experience (specific human capital) is key to firm success (Becker, 1964) when SVs pursue hybridity and social growth. However, we challenge the assumption that firms pursuing dual objectives need to possess a founding team characterized by heterogeneity in education. As reported by prior studies, heterogeneity in education increases the firm's hybridity (Doherty et al., 2014; Beugré, 2016; Dufays & Huybrechts, 2016). By applying this argument to the context of hybrid ventures, our results show that heterogeneity in background education do not predict the emergence of hybridity feature in the organization. Furthermore, our work suggests that heterogeneity in tacit knowledge gained by SVs' founders is more likely to predict the hybridity nature and to increase the social growth than heterogeneity in explicit knowledge. In the entrepreneurship literature, research on SE has been mainly conceptual (Arena, Bengo, Calderini, & Chiodo, 2018; Hockerts, 2015; Santos et al., 2015) or qualitative (Alberti & Varon Garrido, 2017; Fawcett & South, 2005; Napathorn, 2018). This work is, to our knowledge, one

of the first known quantitative research that conceptualizes and measures social experience. Building on prior conceptual work in the entrepreneurship literature, we empirically measure and implement, for the first time, a heterogeneity indicator that includes both economic and social parameters.

5. Managerial implications

5.1. Social entrepreneurship education

This work is important since social entrepreneurs, social incubators/ accelerators, and educators in the field are increasingly engaged in a capacity-building effort to further advance the capability of SVs' human capital.

The extended model suggested by the first paper through adding the specific challenges, provides a ground on how to correlate theories with the model to further enhance students' knowledge on hybrid organizations (i.e. theory of change, SVs scaling strategies, typologies of hybrid organizations, the stakeholder theory ...etc.). This extended model as an outcome of this paper contributes to the theorizing of SE education and is expected to have implications in the SE education where educators in the field can benefit out of it to improve their SE training and teaching material.

The first paper reflects that most of the skills required by SVs require almost the opposite type of pedagogies than those typically deployed in higher education, notably at business schools, for instance, the focus on soft skills as opposed to the functional knowledge that is typically emphasised; and the emphasis on collaboration compared to the individual approach that characterizes learning at many higher education institutions.

Furthermore, the second paper which evaluates the SE education in Italy provides recommendations for educators and policy makers in Italy who are keen to enhance the SE learning experience and further prepare managers who have the necessary skills to manage social hybrid ventures, which in turn is expected to have a positive influence on such organizations.

Three main recommendations are proposed. First, Since Italy has a long history with SE and social cooperatives, and is growing their market in this direction, the need for qualified managers to manage such organizations with hybrid nature is expected to take place. However, the distribution of courses all along Italy is not balanced, it is recommended for policy makers

to give more attention to such education at universities all over Italy, especially to cover the centre and south regions.

Second, the experience of having course and a laboratory to teach SE at management and business school, as we examined in two universities in the north of Italy, shows the best practice among other courses. Teaching two courses, one theoretical and one practical to the same students is providing a better learning experience than leveraging on one course. This also shows better implications of the specific skills realized by the model of Smith et al. (2012).

Third, to give more attention to soft skills and field work through applying different learning theories. A focus on applying learning theories and developing learning methods for social entrepreneurship education was clearly evidenced in the literature; these included critical learning theory, transformational learning theory and epistemological development (Alden Rivers, Armellini, Maxwell, Allen, & Durkin, 2015), experiential learning theory (Kickul, Griffiths, & Bacq, 2010; Yann Ching Chang, Benamraoui, & Rieple, 2014), and social learning theory (Howorth, Smith, & Parkinson, 2012). Both experiential learning theory and transformational learning theory are used and considered to obtain a more effective learning experience in social entrepreneurship education.

5.2. Heterogeneity in Human capital

Findings on the relationship between the heterogeneity of different forms of human capital and hybridity emergence at SVs, as well as their social growth, provide the bases for improved targeting of SVs, as well as of policies related to education including higher education. Our findings suggest that SVs with both hybridity nature and social growth are more likely to be started by founders with different self-employment experiences. The findings about the greater effect of specific human capital on hybridity meshes interestingly with Papers 1 & 2 in the sense that it seems that general human capital acquired through formal education is not as effective as specific human capital for SVs – this is rather depressing news for universities offering courses that aim to train SV skills, but perhaps this finding is due to the fact that teaching is currently

inadequate to meet the hybridity needs of SVs, as documented in Paper 2. It also suggests that educators, notably in higher education at business and management schools, have to put a greater attention to experiential learning and social entrepreneurial activities among students. Experiential learning theory “has been used in both management and entrepreneurship studies” (Kickul et al., 2010) of which calls for building the knowledge through a direct experience. We find beneficial effects from specific human capital for SE. This reinforces the case for programmes developing entrepreneurial skills among all types of students while focusing on the fact that entrepreneurial skills are useful for the realisation of dual objectives. Moreover, we found that social growth is associated with the level of heterogeneity in general. This is an important finding for social entrepreneurs, highlighting that supporting diversity in SE may generate positive externalities such as stimulating social value creation.

Therefore, SVs established by team with greater heterogeneity in specific human capital enjoy superior social growth and hybridity (social value creation in addition to be more self-financing) because of their unique competences. This has important implications for both social entrepreneurs and policy makers. Both potential social entrepreneurs and policy makers should carefully consider that if these competencies and resources are not available within the founding team, this may limit growth. Conversely, the hybridity nature of SVs is less likely to grow with greater heterogeneity in general human capital (education). This might be an indication that heterogeneity in education might create (ideological) conflict between founders which is one of the main highlighted challenges of hybrid organizations (Chang et al., 2014; Doherty et al., 2014; Smith et al., 2012). This finding calls to rethink the way that disciplinary boundaries and professional identities are developed in higher education. Furthermore, both potential social entrepreneurs and policy makers should carefully consider that diversity in the background education of founders might create conflict and may limit hybridity.

6. Future research

Future research should test the four specific challenges with a larger sample of SVs and social incubators/accelerators using a quantitative approach to create opportunities for generalizability, particularly with regard to what has been noted about SVs based on new technology.

Moreover, future research should test the model by conducting an experiment on a sample of students by developing measures for each specific skill to measure the effectiveness of the model in a classroom setting. On the other hand, the model could be used to evaluate the gaps in any SE educational programme.

Additionally, the second paper evaluates the institutional SE education in Italy; however, the non-institutional education was not included, which is expected to have an essential role as a supply-side and cover the gap of institutional education which can be suggested as a future research. Furthermore, a research to consider the perspective of students who have received SE education would provide with a holistic picture on the effectiveness of the delivered education.

The proposition of heterogeneity is suggested to include further factors for future research such as founders' age, gender, ethnicity, socio-economic status ...etc. Also, to repeat the study on the impact of heterogeneity in different context to see whether responses and therefore results are consistent with our findings. Another interesting avenue of research is to investigate heterogeneity across subsectors of social ventures (education, care, health care, etc.).

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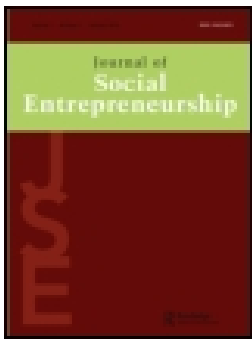
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8. Appendices



The Distinctive Managerial Challenges of Hybrid Organizations: Which Skills are Required?

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The Distinctive Managerial Challenges of Hybrid Organizations: Which Skills are Required?

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ABSTRACT

How do the distinctive managerial challenges of hybrid organizations appear in practice? Which skills can be taught to respond to those challenges? These important questions are investigated based on, first, an in-depth study of social incubators/accelerators and social ventures (SVs). Second, building upon the ‘paradoxical leadership model for social entrepreneurs’, the study associates the specific challenges in practice with the model’s specific skills. This study has value not only for the social entrepreneurship (SE) literature but also for SE educators, social incubators/accelerators and social entrepreneurs who are all engaged in the capacity building of SVs.

KEYWORDS

Hybrid organizations; social ventures; social entrepreneurship education; human resources; capacity building

Introduction

Over the last decade, the phenomenon of social entrepreneurship (SE) has experienced impressive growth, where it has ‘gained momentum and the communities around the world are self-organizing to directly address issues that affect them’ (Ayob et al. 2013). Agoston (2014) claimed that failures in the system, market, government, volunteer sector and others drive the emergence and growth of this phenomenon. Thus, establishing social ventures (SVs) has become a trend in a wide range of fields and sectors, such as education, healthcare, poverty, inequality, unemployment, migration and other societal challenges (Battilana et al. 2012).

SV has a variety of definitions, but two main features are commonly mentioned in a majority of them: a social venture seeks to meet a social need, and it performs entrepreneurial activities to generate a profit to maintain/scale the generated social impact (Tracey and Phillips 2007; Bengo et al. 2016).

Moreover, the growth in interest in SVs is attributed to social, economic and political trends. Those trends have required SVs to pursue a social value that is the core and main driver, while SVs have the role of managing commercial activities to achieve a financial value that has, in turn, the role of sustaining a social impact and decreasing reliance on donations (Doherty, Haugh, and Lyon 2014; Arena et al. 2018). This indicates that the social and commercial missions have both been set as main values and

logics of the SV organization, which has led SVs to be characterized by hybridity (Haugh 2007). The hybrid organization refers to organizations with two or more competing logics, conflicting demands or multiple pressures (Pache and Santos 2010). SVs have the classic form of a hybrid organization (Doherty, Haugh, and Lyon 2014).

Doherty et al. (2014) have reported that the main managerial challenges of hybrid SVs, based on the framework developed by Austin, Stevenson, and Wei-skillern (2006), fall into three management categories: organizational mission, financial resources and human resources. Those aspects have gained attention because they exhibit the challenges that most distinguish SVs with two institutional logics from commercial enterprises (Simón-Moya, Revuelto-Taboada, and Ribeiro-Soriano 2012). This study addresses the managerial area of SVs, particularly the specific distinctive challenges in managing those three dimensions and the associated skills needed to effectively manage hybrid organizations. The reason that this study is concerned with understanding the specific challenges and their associated specific skills is because the need for employees equipped with the necessary competencies to manage the distinctive challenges of hybrid organizations is increasing; however, there is currently a lack of such employees in this growing and changing market (Battilana et al. 2012; Napathorn 2018).

Every organization aims to stay focused on its mission, which is generally challenging, but in regard to hybrid organizations, with two missions (social and commercial), the task is even more challenging (Napathorn 2018; Bruneel et al. 2016; Tracey and Phillips 2007; Pache and Chowdhury 2012). The passion and commitment of the social entrepreneur (the founder/s) can help the organization to stay focused initially, but when the organization grows, it requires the founder/s, along with employees, to be able to effectively maintain the two missions.

Thus, one of the major issues stressed in the literature responding to this demand is that hiring and selection criteria as well as the development and management of internal human capital are instrumental (Battilana et al. 2012; Bruneel et al. 2016). Since there is a lack of employees with prior experience in hybrid organizations, there are three possible selection options: first, employ people with a background in either one of the sectors (nonprofit or for profit). This strategy avoids any conflict, but it probably leads to mission drift (Battilana et al. 2012). Second, employ a mix of employees from both sectors (social and commercial), but this approach could result in fighting and conflict between the two groups (Bruneel et al. 2016). Third, employ people with no prior experience in any of the sectors (fresh graduates) and then hold training and professional development sessions for them about how to maintain the balance (Battilana et al. 2012). However, this third criterion requires time and finances, which are limited in the SV case. In conclusion, this issue of lacking employees with prior knowledge and experience in managing hybrid organizations not only creates a shortage of human resources but also creates a dilemma in the selection criterion at SVs.

However, one possible solution to this issue is to teach students in management and business schools about hybrid organizations and equip them with the required competencies to manage such organizations with two competing demands. A study on the evolution of SE education in business and management schools showed that the interest in such schools to offer SE education significantly increased in 2014–2015 compared to 2004–2005 (Spais and Beheshti 2016). This consideration in academia has

been given a prominent role by leading universities, such as Harvard, Duke, Stanford and Oxford Universities on both sides of academia: education and research (Simón-Moya, Revuelto-Taboada, and Ribeiro-Soriano 2012). Since then, many other universities have started to open streamlined SE programmes. Such education focuses on 'plans, tools, theories/theoretical models and the business-related concepts' (Spais and Beheshti 2016).

Moreover, when Plaskoff (2012) interviewed Sarah Harris, the vice president of Emmis Communications' Incite entity who 'has grown a US\$7.5 million social enterprise employing 10 social entrepreneurs' (Plaskoff 2012), Harris strongly advised business schools to equip future managers by including an SE curriculum; this advice results from the lack of business managers' awareness and knowledge about SE and social innovation (SI) that Harris has noticed. However, how can business and management schools respond to this call, considering that the hybridity of SVs adds an extra layer of complexity? (Tracey and Phillips 2007).

Pache and Chowdhury (2012) stressed that SE education is still new and 'suffers from a lack of clear theorizing'. Thus, a limited number of theoretical models about how to teach or conduct training for SE have been developed and published in academic journals; some of these have focused on the hybridity issue (i.e. Smith et al. 2012; Kickul et al. 2012; Pache and Chowdhury 2012). However, the model developed by Smith et al. (2012), which is called the 'paradoxical leadership model for social entrepreneurs', strictly connects the demand side with the supply side. The demand side is demonstrated by including two main challenges of managing organizations with two institutional logics, while the supply side is articulated by suggesting meta- and specific skills as well as pedagogical tools to teach those specific skills that are associated, with clear links, to the two main challenges. However, this study argues that the two main challenges included in Smith et al.'s (2012) model are still very general and do not clearly articulate the complex challenges of SVs. What is missing is specific practical challenges demonstrating how the general challenges appear in practice and then how specific skills can be associated with them.

Building upon the work of Smith et al. (2012), this paper aims, first, to understand the demand side by investigating, empirically, how specific managerial challenges that emerge when working at SVs appear? The second aim is to employ the specific skills and pedagogical tools suggested by the 'paradoxical leadership model for social entrepreneurs' (Smith et al. 2012) to respond to those specific managerial challenges.

To answer the two aims described above, the remainder of the paper is organized as follows. First, the theoretical framework is introduced, which is based on the model proposed by Smith et al. (2012). Second, the research methods are outlined, clarifying the criteria used for selecting the sample and collecting and analysing data. Third, the results of this research are presented. Finally, theoretical and practical implications are discussed in the discussion and conclusion sections.

Theoretical framework

The theoretical framework of this study is based on Smith et al.'s (2012) theoretical perspective of the paradox theory (Lewis 2000), which provides astuteness about the

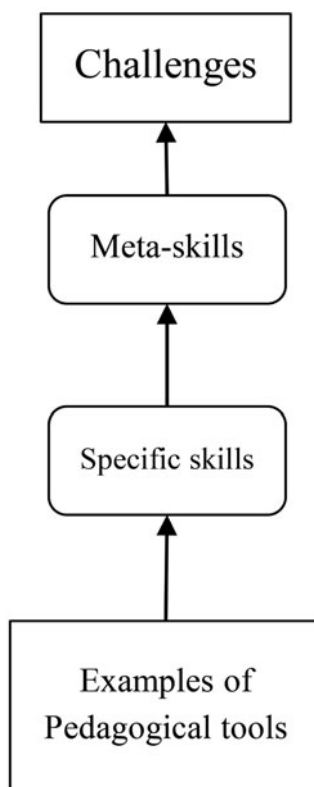


Figure 1. Stages of the paradoxical leadership model for social entrepreneurs developed by (Smith et al. 2012).

source, nature, challenges and responses of competing demands in organizations. For an overview of the paradox theory literature, see Smith and Lewis (2011) and Smith and Tracey (2016).

Smith et al. (2012) were among the first to build a theory about the challenges and correlated skills to appropriately manage the tensions elicited from the demands of competing logics (social and commercial) at hybrid SVs; they also suggested pedagogical tools for teaching these skills. Their theoretical model, which is called ‘a paradoxical leadership model for social entrepreneurs’, is inspired by the award-winning undergraduate course at Cornell University (SEIP); this course demonstrates teaching SE in a classroom setting. The main argument of the work of Smith et al. (2012) is that ‘social and commercial sides of a social enterprise are not isolated from one another. Rather, they are inherently interrelated and often conflicting’, and that is why managing social and commercial demands require a different set of skills than those required in a traditional enterprise (Tracey and Phillips 2007; Smith et al. 2012; Pache and Chowdhury 2012; Miller, Wesley, and Williams 2012; Plaskoff 2012)

The framework of Smith et al. (2012), interestingly, connects the demand and supply sides, and it is structured in three main stages: first, identify the main managerial challenges when managing social and commercial demands. In other words, the challenges faced in managing hybrid organizations demand certain skills and competencies to be managed well. Second, it identifies correlated skills to embrace such

challenges; this stage is divided into two sub-parts: meta-skills and specific skills. The third stage of the framework is the pedagogical tools suggested to help teach the specific skills identified in the second stage. The second and third stages illustrate the skills and pedagogical tools for future managers who can effectively manage the challenges stated in the first stage. As shown in [Figure 1](#), the connection that this model tries to create between the demand and supply sides is unique among other developed models for teaching SE (i.e. [Kickul et al. 2012](#); [Miller et al. 2012](#); [Pache and Chowdhury 2012](#); [Mehta, Brannon, and Zhao 2016](#)).

[Smith et al. \(2012\)](#) stated in the model that there are two main challenges in managing an organization with competing social and commercial demands: the first challenge is in 'maintaining both social mission and commercial viability'. The second challenge is in 'overcoming intractable conflict'. The argument here is that those two challenges are still very general, practically speaking; they are not concrete enough to understand their implications in practice. For instance, how do those challenges appear? What does it take to maintain a social mission in practice? What obstacles appear while working towards a social mission? What would limit maintaining financial viability? How would both social and financial missions be in conflict? The answers to those questions would advance the understanding of how the challenges of managing hybridity at SVs, practically, appear. Then, connecting them with the correlated specific skills and pedagogical tools is expected to allow the model to be more effective for learning and training purposes.

The three meta-skills suggested by the model are acceptance, differentiation and integration. Those meta-skills were broken down into six specific skills that are intended to embrace the challenges in transforming the tension between the two competing demands into a source of new opportunities and solutions for the organization. Meta-skills and the six specific skills are explained in greater detail later in the Results section.

Methods

To study the distinctive challenges in managing SVs with a hybrid nature, the research adopted an in-depth study of Italian social incubators/accelerators and Italian SVs. Data were collected from multiple sources to capture key dimensions of the problems analysed ([Yin 1994](#)): in-depth interviews, websites and direct observations. The analysis was conducted with managers of social incubators and accelerators in Italy as well as with a number of founders of Italian SVs. With regard to the data collected through the social incubators/accelerators, the primary source of data was in-depth interviews ([Goldman and McDonald 1987](#)) with the managers of incubators and accelerators in particular. The interviewees were selected based on their ownership of responsibility for the incubation and acceleration programmes in addition to their role in following up on the progress of the incubated/accelerated SVs. While the primary source of data collected with respect to the SVs was in-depth interviews with the founder/s of each SV, the interviewees were selected based on their main role of establishing and then managing their SVs since the birth of the idea.

Table 1. Selected social incubators/accelerators and their main characteristics.

Organization	Social incubator/accelerator	Establishment	Services
Impact Hub Milano	Social incubator	The hub was established in 2010. The incubator started in 2015.	SVs co-working space; create a community for SVs; rent the space for events; social incubator and training.
SocialFare	Social accelerator	The centre was born in 2013. The acceleration programme started in 2015.	Consultancy for SVs; social accelerator.
Make a Cube ³	Social incubator	2011.	Consultancy for SVs; social incubator.

Social incubators and accelerators were selected for interviews not only because of their direct connection with many SVs but also because of their 'profound impact on social entrepreneurship practice by identifying and supporting innovative social entrepreneurs through training, mentoring and other means' (Pandey et al. 2017). Thus, their managers' points of view about how the managerial challenges at SVs appear is of high value, as they are outsiders to the ventures and directly support the ventures' teams.

Three main social incubators/accelerators are selected in Italy: Impact Hub Milano, SocialFare and Make a Cube³. These incubators/accelerators were identified after a preliminary analysis of their websites and other public sources aimed at selecting incubators and accelerators that work with a variety of SVs and support them, especially with reference to their hybrid nature.

Furthermore, other criteria that drove the selection of six SVs were based on two factors: SVs that had the chance to be incubated/accelerated at one of the selected social incubators/accelerators and SVs that did not have the chance to be incubated at a social incubator or accelerator. These ventures were identified after a preliminary analysis of their websites as well as a discussion with the managers of the incubators/accelerators aimed at selecting SVs with hybrid natures, at different stages and in various sectors.

Tables 1 and 2 show the selected organizations and their main characteristics.

Overall, nine interviews were conducted. Furthermore, this study had the opportunity to enrich the data collected with follow-up and informal discussions with the above informants. Each interview lasted between 60 and 120 minutes. All the interviews were conducted one-on-one and face-to-face except for one interview via Skype, and all the interviews were conducted in Italy. Each interview was voice recorded and transcribed.

To analyse the data, a thematic analysis (Teddlie and Tashakkori 2009) was applied. This is one of the most commonly used analyses in qualitative research, and it is a technique used to pinpoint and record patterns or themes within data. After transcribing the interviews, approximately 100 single-spaced pages of material were produced from the three incubators/accelerators and six SVs. The produced material was then coded and summarized based on the thematic analysis. Finally, the themes were placed side by side with previous literature to validate the analysis. The in-depth study with incubators/accelerators covers the history of each incubator/accelerator, their incubation/acceleration programmes and their perspective on the learning process and challenges that face SVs during their growth. The in-depth study with the SVs

Table 2. Selected SVs and their main characteristics.

Organization	Being in social incubator/accelerator	Establishment of the idea	No. of workers at the date of interview	Social value
Italia <i>nonprofit</i>	Yes	2014	2 co-founders and 2 freelancers.	Access to information about nonprofit organizations in Italy to increase the value of donations.
Sport Grand Tour	Yes	2015	1 founder, 2 workers and 4 freelancers.	Open the space for kids to discover their talent in the sport by giving them choices and the opportunity to try before officially registering in any sports club.
Yeerida	Yes	2012	3 co-founders and 3 workers.	Digital library to everyone allows people read and consult texts; allows publishers and authors to promote their work and stay in touch with their readers.
Merkur.io	Yes	2016	3 co-founders.	Secure, fast and scalable payment network for growing economies based on blockchain technology.
Helperbit	No	2014	6 co-founders.	Transparent, free and secure way to fundraise based on blockchain technology.
Merits	No	2015	2 co-founders and 2 workers.	An innovative network to donate to social organizations using the digital currency <i>Merits</i> .

covers the history of each SV, the challenges they faced during their journeys and the learning process each SV has experienced.

Results

This section demonstrates the results in two parts: first, the specific challenges of managing competing demands at SVs and how those challenged appear in practice and, second, the association of those specific challenges with the specific skills and pedagogical tools suggested by Smith et al. (2012) in their model 'a paradoxical leadership model for social entrepreneurs'.

Specific challenges to manage SVs with competing demands

Data from the interviews elicited four themes of challenges that are distinctive for SVs with competing demands. These were the risk of mission drift, the need for impact measurement, stakeholders' conflicting demands and SVs based on new technologies. Each one of these challenges has different implications under the three managerial dimensions defined by Austin, Stevenson, and Wei-skillern (2006): organization

Table 3. Distinctive managerial challenges and their presence under the three managerial dimensions defined by Austin, Stevenson, and Wei-skillern (2006).

	Organizational mission	Financial resources	Human resources
Risk of mission drift	X	X	X
Stakeholders' conflicting demands	X	X	X
The need for impact measurement		X	X
SV based on new technology	X	X	X

mission, financial resources and human resources. Table 3 shows how each of the elicited challenges appears within those three managerial dimensions.

Organizational mission

Two main tensions are expected to appear when talking about the organizational mission of a hybrid organization: risk of mission drift and stakeholders' conflicting demands (Doherty, Haugh, and Lyon 2014; Pache and Chowdhury 2012). Both managers of incubators/accelerators and founders of SVs stressed the point that it is challenging to stay focused on the main missions (social and financial) and be able to communicate the organizational mission strongly. According to the manager of the SocialFare accelerator,

Launching a venture is really tough; if you are social, it's probably even tougher, as you have to stay true to your mission and vision, so you are aware of this mission drift problem... This can come at the expense of the social value of the project; it never happened to us but it's always a balancing and trade-off between these two values, although all of the start-ups that we accelerated had very clear and strong social visions and social vocations.

Additionally, because of the nature of such ventures, they are multi-stakeholder organizations, where stakeholders have different demands, which, in turn, creates challenges about how to communicate with each stakeholder. As the co-founder of Merits stated,

We often said that to start talking is similar to a teenager who is defining their identity, so an important part of that is the work that we are doing now with service designers, and it is about really defining our identity and the identity of our stakeholders, how and why they interact with us... You know that if you meet a business, you have to speak a certain language; if you meet the 3rd sector benefits association, you have to speak another language; if you meet small entrepreneurs who want to help you, you have to speak a different language than if you meet a big corporation.

In particular, the results demonstrate the third challenge that is relevant to SVs based on new technologies, such as blockchain. For example, the lack of knowledge about blockchain technology creates a perception that it is an evil technology, and this, of course, contradicts the use of such technology to create social impacts, which, in turn, creates an extra layer of complexity for social entrepreneurs when defining their SV identity. The co-founder of Helperbit elaborated on this point:

The main challenge, in my opinion, is the lack of trust in Bitcoin and blockchain because many people read news about the coin and they think the coin is illegal, is evil, and is used only by the Mafia ... but obviously, it is not, and we are the best example for this because Bitcoin and blockchain are just technology, are just tools... it is quite complex,

and we have to help NGOs to understand the technology... NGOs are quite scared by this at the moment.

Financial resources

Social entrepreneurs face difficulties in raising capital mainly because capital investors are not comfortable with hybrid organizations as an investment, but impact investors are more comfortable with those organizations (Battilana et al. 2012). However, impact investment is still an emerging field, which is why the managers of incubators/accelerators, as well as the founders of SVs, raised this point as a challenge. The manager of Impact Hub Milano said:

Some people have very interesting business models in the environmental or social arenas ... I heard investors say 'but you are not social because you make a profit, or you make a great deal of money, too much money'... for example, there is a start-up here called job network; it's a marketplace to match people with disabilities, physical disabilities, with a job in Italy or around the world ... because they make money through the company for these kinds of people like a normal head-hunter ... I heard people that say but how do you calculate the impact and ... I remember the answer of the investor who is a venture capitalist said no ... in fact, now I would like to talk more about impact investing and not more about social innovation because, in Italy, when you say social innovation, it is philanthropy, clerical, with no profit.

Moreover, it is not only difficult to obtain the support of investors for SVs that make money in addition to having a social impact but also to obtain the support of public institutions. According to the founder of Sport Grand Tour,

Like schools and municipalities and so on, they don't want to work with for profit companies because they say we cannot promote one company and not the other. In my opinion, it's okay, this approach is okay, but if you recognize from a legal point of view the social impact, because we are innovative start-up with a social impact, so if you recognize this because you made the law and incentives in order to invest in social impacts because you think social impact is important so your institution must recognize this.

In addition to the issue of external stakeholders' misconceptions about SVs, another two challenges have been raised with regard to financial resources, which are the risk of mission drift and the need for impact measurement, as shown in Table 3. However, the risk of mission drift occurs because social entrepreneurs have to be focused on market needs in addition to social needs, and in many cases, they are not the same (Alberti and Varon Garrido 2017). On the other hand, impact measurement is continuously a demand of investors, governments and other stakeholders. However, there are no standard measures for social impacts, and the cost of such measurements is stressed as distinctive challenges for SVs in the interviews. According to an interview with the manager of Make a Cube³ incubator,

There should be a standard methodology to measure it, so standard communicators ... you have to balance this trade-off between reliability, in terms of scientific measurement, and the cost and time that an entrepreneur is going to spend on that topic.

With respect to new technologies, the co-founder of Helperbit talked about how using new technology such as blockchain adds a third dimension to the fundraising discussion:

It depends on who is the investor because we are talking with banks and insurance companies. For example, banks are not into the insurance part and only want to be involved in the humanitarian part from the technology point of view and the visibility point of view, so they want social impact, while, for example, insurance companies want the technology aspect and the insurance service, while, regarding the social part, they don't care about it. If this process includes banks and insurance companies, it is then very long, very complex ... because they prefer a mature technology.

Human resources

SVs with dual missions require workers from different backgrounds and with different interests to meet the needs of both missions (Dufays and Huybrechts 2016). The results show that human resource issues are relevant to the four challenges: risk of mission drift, impact measurement, managing multi-stakeholders' demands and technology. For instance, when people who work at SVs (i.e. founders, employees, volunteers) are not competent enough about what an organization with competing demands is, this raises the risk of mission drift as well as the possibility of creating an internal conflict between people with a social orientation and people with a business focus. The manager of Make a Cube³ incubator opined that

Usually, when talking about the challenges and the barriers in the ecosystem, we always need more investors, and that's a part of the supply side. However, we also need much more maturity on the demand side; I feel that it's the most important need of all. I think that once we are able to demonstrate the talented people working on social issues and finding a sustainable, not a scalable and profitable business model, but a sustainable business model, money will come.

The manager of the Make a Cube3 incubator elaborated more on the conflict that might occur between internal stakeholders, such as workers who come from a social background and others who come from the business background.

When we talk about targeting the market, for example, they (people coming from the 3rd sector) say "I have worked with these people for 15 years, I know them perfectly," and yes, you know one part, you know your beneficiaries, but your beneficiary is not always your customer, so you have to focus on which is the perceiving process of your position according to your customer, not only according to your beneficiary ... talking to people coming from the for profit sector, the big challenge is that they lack the deep knowledge of the social issue they are going to tackle, and it's not so easy in the beneficiary issues and not just in the customer issues ... in general, something that is really important in vocal terms is also to understand that in the social sector you have to develop experiments in order to understand the potential of your idea, and you want to validate the process.

The challenge of impact measurement with respect to human resources is twofold: (1) the need for competences capable of providing reliable and effective impact measurements and (2) the need for people who can communicate the created social impact by the SV. On the other hand, the challenge of SVs based on new technology requires competences to convince different stakeholders about the capability of the new technology to generate a social impact.

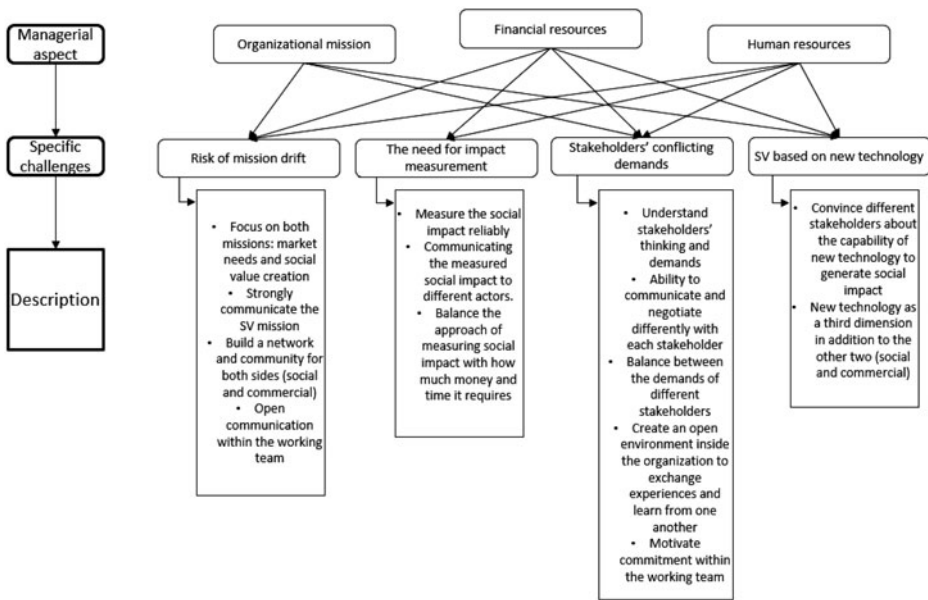


Figure 2. A synthetic analysis of the specific challenges of managing SVs with competing demands.

Synthetic analysis

Figure 2 shows a synthetic analysis of the specific challenges identified from the results of the interviews. Figure 2 illustrates how the three managerial aspects (organizational mission, financial resources and human resources) are each connected with the four specific challenges (risk of mission drift, the need for impact measurement, stakeholders' conflicting demands, SVs based on new technology); furthermore, the figure provides a description of each specific challenge.

Association of the specific challenges with the specific skills and pedagogical tools suggested by Smith et al. (2012)

The second part of the results connects the four specific challenges extracted in the first part of the results with the six specific skills suggested by Smith et al.'s (2012) model, as shown in Table 4.

Based on the model of Smith et al. (2012), the definitions of the three meta-skills and suggested six specific skills with the pedagogical tools to teach them in a classroom setting are as follows. Additionally, an explanation of how Table 4 has been developed to integrate the specific challenges in practice with the skills of the model is as follows.

Acceptance

This 'involves viewing both sides of competing demands as simultaneously possible, even if they are inherently in conflict' (Smith et al. 2012). In other words, the acceptance of both missions at hybrid organizations, in this case the social and commercial

Table 4. Association of the specific challenges with the suggested specific skills by Smith et al. (2012).

Meta-skills	Specific skills	Specific challenges			
		Risk of mission drift	The need for impact measurement	Stakeholder's conflicting demands	SV based on new technology
Acceptance	Adopting an Abundance Mentality	x		x	
	Embracing Paradoxical Thinking	x		x	
Differentiation	Recognizing the Distinct Value of Each Domain	x	x		
	Mindfully Attending to Distinctions Between Domains			x	X
Integration	Developing Trust, Openness, and Cultural Sensitivity	x		x	X
	Seeking Synergies in Decision Making	x	x	x	

missions at SVs, would influence the commitment to each mission and open minds to recognize such competing demands as a blessing but not a burden. Two specific skills have been suggested in correlation with acceptance.

Adopting an abundance mentality. This specific skill helps managers at SVs to accept both competing demands by thinking of a problem as an opportunity, building community and opening dialogue to look for possibilities rather than limitations and difficulties. This skill can be enhanced in a classroom setting by enabling students to share ideas, learn from one another, support each other while completing a certain task, in other words, to collaborate rather than compete with each other. This can also be achieved through grading strategies if they are based on collaboration instead of competition. Further, this can be achieved by assigning exercises about how to provide constructive feedback to one another and to oneself as well as exercises to stimulate thinking of as many positive things as they can about a given scenario. In Table 4, associating this specific skill with the two specific challenges, risk of mission drift and stakeholders' conflicting demands, has been suggested. An abundance mentality can help managers avoid mission drift by being able to accept both social and commercial demands, which, in turn, help managers focus on each demand. Furthermore, accepting both demands is sufficient to open the space for building communities from both sides, which is essential to decrease the risk of mission drift. On the other hand, managing stakeholders' conflicting demands requires an abundance mentality to open minds to accept diversity in stakeholders' methods of thinking and their demands.

Embracing paradoxical thinking. This is the ability to recognize competing demands on each side. When two different actors have not only different but competing demands, then decisions are most likely made based on the 'either/or' strategy. Paradoxical thinking allows managers to first recognize both demands and then accept them, which leads to making decisions based on a different strategy, 'both/and'. This skill can be taught to students in a classroom setting by exposing them to scenarios, through readings or role playing, in which two different actors are in the same situation but have different and competing demands. In [Table 4](#), associating this specific skill with the two specific challenges, risk of mission drift and stakeholders' conflicting demands, has been suggested. Recognizing the conflicting demands of different sides (social and commercial) or different actors (volunteers and employees or beneficiaries and clients) has a vital role in avoiding mission drift and managing stakeholders' competing demands.

Differentiation

This refers to being able to differentiate the characteristics of each side of competing demands, including each side's added value, which is the step after acceptance and feeling more committed to both sides; differentiation will take managers a step further toward maintaining their commitment to each side. In this case, that is their commitment to social and commercial demands. Two specific skills have been suggested by Smith et al. (2012) to encourage differentiation.

Recognizing the distinct value of each domain. To recognize the distinct elements of each domain, the capability to develop and measure each mission separately from the other is crucial. Teaching students in the classroom to develop a business plan and measure social impact, for example, would influence their ability to distinguish the value of each domain. Furthermore, giving students the opportunity to develop an idea for a SV and build its business model and plan on how to generate its social value is another possible way of learning differentiation. In [Table 4](#), associating this specific skill with the two specific challenges, risk of mission drift and the need for impact measurement has been suggested. Because recognizing the distinct value of each domain is about giving students (future managers of SV) tools for measuring social impacts and developing a business plan that, in turn, allows them to stay focused on market needs and value creation and provides them with measures, so this value can be communicated later to mobilize resources.

Mindfully attending to distinctions between domains. This specific skill is more about 'the ability to seek out novel information about the domains, which in turn enables leaders to make nuanced distinctions between the domains' (Smith et al. 2012). To teach students in the classroom on how to seek novel information about each domain, training about divergent thinking, as one example, can be facilitated. This means asking students to think of alternatives to one problem or question rather than providing only one solution. In [Table 4](#), associating this specific skill with the two specific challenges, stakeholders' conflicting demands and SVs based on new technology, has been suggested. The capability of thinking of many alternative solutions to one

aspect or problem can help managers find different ways of communicating complexity, such as the complexity of new technology. Additionally, to be able to recognize specific distinctions between the demands of different stakeholders (investors and government) would probably help managers to think of a variety of solutions for how to deal with the demands they face.

Integration

This refers to the ability to integrate both sides of conflicting demands constructively rather than destructively. Integration is a third step after maintaining commitment through differentiation to help managers and creating 'synergies between contradictory elements' (Smith et al. 2012). Two specific skills have been correlated with integration.

Developing trust, openness, and cultural sensitivity. The skill of creating a safe space characterized by openness, trust and cultural sensitivity and including actors who are strongly committed to the different sides (social and commercial) would allow for an open environment to exchange ideas and opinions. Such environments are a fruitful space for managers to understand complexity and find new methods of integration. This skill can be taught in a classroom setting through field projects by giving students the opportunity to go outside the classroom and work with real SVs. Furthermore, teachers can create groups of students with a safe space for all group members to exchange personal perspectives and goals. Such groups without judgemental mindsets are sufficient to train students about being accepting of diversity and open to other cultures. In Table 4, associating this specific skill with the three specific challenges, risk of mission drift, stakeholders' conflicting demands and SVs based on new technology, has been suggested. The main reason for this association is that developing trust, openness and cultural sensitivity is important for creating a community and open communication between internal stakeholders (i.e. founders, employees and volunteers) as well as with external stakeholders (i.e. investors, other SVs, beneficiaries, clients and public sector), which, in turn, is expected to lead to finding new methods of mutual understanding and the integration of ideas.

Seeking synergies in decision-making. This is the ability to make decisions while making sure that both sides of competing demands are supported. This competence can be taught to students by developing their idea for creating an SV, the one they developed for differentiation, but this time, their thinking is stimulated to show how the success of their idea is based on the integration between social and business demands. In addition, in the classroom, inviting social entrepreneurs as role models to tell stories about decisions they have made successfully while supporting both sides (social and commercial) would help students learn integration. In Table 4, associating this specific skill with the three specific challenges, risk of mission drift, the need for impact measurement and stakeholders' conflicting demands, has been suggested. This association is considered because the skill of decision-making is important to avoid mission drift, use conflict as an opportunity rather than a burden and help balance different domains and needs.

Discussion and conclusion

The paper contributes to the social entrepreneurship literature by adding to the debate regarding the distinctive managerial challenges of hybrid organizations (Simón-Moya et al. 2012). Those distinctive challenges call for different managerial competencies than those needed for traditional ventures (Battilana et al. 2012). However, SE education, which is expected to contribute to the capacity building of SVs as hybrid organizations (Kickul, Janssen-Selvadurai, and Griffiths 2012), 'suffers from a lack of clear theorizing' (Pache and Chowdhury 2012).

The empirical analysis of this study is framed by the model proposed by Smith et al. (2012). Based on this framework, the paper analyses how a better understanding of how the distinctive specific challenges appear in practice; accordingly, the model suggested by Smith et al. (2012) has been extended. The model is extended by, first, correlating the investigated distinctive specific challenges with the three managerial dimensions defined by Austin, Stevenson, and Wei-skillern (2006) (organization mission, financial resources, human resources). Second, those specific challenges are associated with the model's specific skills and pedagogical tools. An outcome of this paper, this extended model contributes to the theorizing of SE education and is expected to have implications for SE education, where educators in the field can benefit from it to improve their SE training and teaching materials. This research is important because social entrepreneurs, social incubators/accelerators and educators in the field are increasingly engaged in capacity-building efforts to further advance the capability of SVs' human capital.

Four distinctive specific challenges are elicited in this paper: risk of mission drift, the need for impact measurement, stakeholders' conflicting demands and SVs based on new technology. However, an unexpected result is the challenge of SVs based on new technology. The results show that a new technology, such as blockchain, adds a third dimension in addition to the other two dimensions (social and commercial). This might open an interesting venue for future research about how new technology, such as blockchain technology, might add an extra layer of complexity when managing SVs with hybrid natures. In addition, there is the question of whether there are distinct challenges when managing such SVs. However, few studies have addressed SVs based on new technology (i.e. Ismail, Hossain, and Nor 2012; Arena et al. 2018). The other three challenges elicited in this paper are consistent with the literature (Tracey and Phillips 2007; Doherty, Haugh, and Lyon 2014). This paper shows how all of these specific challenges appear in practice and what it takes to effectively embrace each of those challenges.

Thinking and communication skills with internal and external stakeholders illustrate the most important skills, whereas the suggested specific skills in Smith et al.'s (2012) model strongly focus on soft skills, thinking abilities and fieldwork, which are highly required in managing SVs with hybrid natures. However, two points for further improvement are suggested as follows: first, allow for more experimental learning (Pache and Chowdhury 2012; Chang, Benamraoui, and Rieple 2014; Tracey and Phillips 2007) to enhance communication skills with different actors in the SE system. This can be applied, for example, by exposing students to their expected beneficiaries and clients while working on the big idea project.

Second, strengthen the model with a stronger theoretical basis in addition to the suggested specific skills. However, the interaction between individuals, field (practice) and domain (theories) is argued to provide a sufficient learning experience and to encourage creativity (Csikszentmihalyi 1999). The extended model suggested by this paper, by adding the specific challenges correlated with the three managerial aspects, provides a foundation for how to correlate theories with the model to further enhance students' knowledge of hybrid organizations (i.e. theory of change, SVs scaling strategies, typologies of hybrid organizations, and the stakeholder theory). This invites further reflection about how to extend the model with theories.

This study is limited in its ability to generalize the results of the specific challenges because it was based on a limited number of SVs and incubators/accelerators. Therefore, future research should test the four specific challenges with a larger sample of SVs and social incubators/accelerators using a quantitative approach to create opportunities for generalizability, particularly with regard to what has been noted about SVs based on new technology.

Moreover, future research should test the model by conducting an experiment on a sample of students by developing measures for each specific skill to measure the effectiveness of the model in a classroom setting. On the other hand, the model could be used to evaluate the gaps in any SE educational programme.

Disclosure statement

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Learning & Education

Does social entrepreneurship education prepare human resources to effectively manage hybrid organizations?

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Submission Keywords:	Entrepreneurship Education, Management skills, Paradox
Abstract:	<p>Social entrepreneurship education is rapidly growing at management and business schools worldwide. However, hybrid organizations such as social ventures ask for human resources capable of managing organizations with competing demands. This paper aims at responding to the question of whether the social entrepreneurship education at the institutional level meets the demand for the required managerial competences at social ventures. The study builds upon the “paradoxical leadership model for social entrepreneurs”, which is developed by Smith et al. (2012) to evaluate social entrepreneurship education in Italy. A web-based search and content analysis on all Italian universities are employed to collect and review all possible syllabi of social entrepreneurship courses taught there. The results show that only one course of those reviewed indicates a high level of specific skills application, while four courses indicate a medium level of skills application. The main weakness in the courses reviewed is their lack of focus on soft skills and fieldwork, while they have a strong focus on theory building and managerial skills. Furthermore, lessons learned from the Italian case to further improve Smith et al. (2012)’s model are suggested.</p>

INTRODUCTION

A lack of employees with prior knowledge and experience in managing hybrid organizations not only creates a shortage in human resources but also creates an issue for the hiring processes of social ventures (Battilana, Lee, Walker, & Dorsey, 2012; Bruneel, Moray, Stevens, & Fassin, 2016). Moreover, in an interview, Sarah Harris, the vice-president of Emmis Communications' Incite, who "has grown a US \$7.5 million social enterprise employing 10 social entrepreneurs" (Plaskoff, 2012), stated that the awareness and knowledge of business managers are not sufficient to meet the demands of social ventures. Thus, Harris stressed that business schools have to prepare future managers by including an social entrepreneurship curriculum.

The interest of management and business schools in offering social entrepreneurship education has significantly increased in 2014-2015 compared to the previous ten years (Spais & Beheshti, 2016). Interestingly, this increased interest took place, at first glance, at leading universities, such as Harvard, Duke, Stanford and Oxford (Simón-Moya, Revuelto-Taboada, & Ribeiro-Soriano, 2012). Since then, streamlined social entrepreneurship education has emerged at many other universities. Such education focuses on "plans, tools, theories/theoretical models and business-related concepts" (Spais & Beheshti, 2016).

Nevertheless, the hybrid nature of social ventures adds an extra level of complexity, which raises the question, how do the management education departments at business and management schools respond to this complexity? (Tracey & Phillips, 2007). A limited number of theoretical models on how to teach or conduct training for social entrepreneurship have been developed and published in academic journals, with some of the models focusing on the hybridity issue (i.e., Smith et al. 2012; Kickul et al. 2012; Pache & Chowdhury 2012). However, the model developed by Smith et al. (2012), called the "paradoxical leadership model for social entrepreneurs," associates the demand side with the supply side. The demand side represents the distinctive challenges that occur in managing hybrid organizations, while the supply side

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3 represents the skills required to manage those challenges; additionally, they suggest some
4 pedagogical tools to teach those skills.
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7 Both the market demand for employees with managerial competencies to manage the social and
8 the commercial demands faced by social ventures as hybrid organizations, as well as the
9 emergence of social entrepreneurship education at the institutional level, lead us to propose the
10 following research question: Does the existing social entrepreneurship education at the
11 institutional level meet the market demand for capable employees to manage social venture
12 hybrid organizations? If so, then how? This paper aims to address those questions by employing
13 the theoretical model developed by Smith et al. (2012), as all social entrepreneurship courses
14 at management and business schools in Italy are evaluated based on this theoretical model.
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26 This research is important, as social entrepreneurs and educators increasingly engage in a
27 capacity-building effort to further advance the capability of social ventures' human resources.
28 Further, for the moment, few empirical studies exist in the domain of evaluating social
29 entrepreneurship education, specifically concerning country-based cases. However, a number
30 of studies evaluate the impact of such education on the students' intention to become social
31 entrepreneurs (Ayob, Yap, Amat Sapuan, & Abdul Rashid, 2013; Konaklı, 2015; Salamzadeh,
32 Azimi, & Kirby, 2013). Another study, by Miller et al. (2012), compares the perspectives of
33 practitioners and educators on the importance of social entrepreneurship competences; it aims
34 at assessing social entrepreneurship courses, delivered material on a country level and
35 investigated its capability to prepare students with the required knowledge and skills to manage
36 hybrid social ventures in the future. Moreover, to the best of our knowledge, no previous
37 empirical study has used the developed paradoxical model by Smith et al. (2012) to evaluate
38 social entrepreneurship education.
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56 To answer the above research questions, the rest of the paper is organized as follows. First, we
57 present a literature review on hybrid social ventures. Second, we introduce the theoretical
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3 framework, which is based on the model proposed by Smith et al. (2012). Third, we outline the
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5 research methods, clarifying the criteria used for selecting the samples and collecting and
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7 analysing data. Fourth, we present the results of our research. Lastly, theoretical and practical
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9 implications as well as limitations are discussed in the discussion and conclusion section.
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SOCIAL VENTURES

social ventures are characterized by hybridity (Bromberger, 2011; Doherty, Haugh, & Lyon, 2014; Haugh, 2007; Lee, 1937; Santos, Pache, & Birkholz, 2015). A hybrid organization is one with two or more conflicting demands or multiple pressures (Pache & Santos, 2010). social ventures are considered to meet the classic form of the hybrid organization (Doherty et al., 2014). The competing demands of social ventures are social and commercial (Doherty et al., 2014; Pache & Santos, 2010; Santos et al., 2015; Smith et al., 2012; Tracey & Phillips, 2007). The social demand comes from the social value creation that every social venture works to achieve in order to meet the needs of its beneficiaries, while the commercial demand is about the entrepreneurial activities that social ventures operate in order to generate income and therefore become financially self-sustainable. Thus, both demands are equally important for social ventures to achieve social goals and financial sustainability (Alberti & Varon Garrido, 2017; Santos et al., 2015). However, the commitment to respond to both demands at the same time creates distinctive challenges when managing social ventures (Doherty et al., 2014; Tracey & Phillips, 2007). For example, the challenge to maintain the growth of social value as well as economic viability (Smith et al., 2012); in other words, the challenge to keep both missions at the core of the organization. This would entail the capacity and human resources capable of managing both missions and avoiding the risk of mission drift (Miller, Wesley, & Williams, 2012; Pache & Chowdhury, 2012; Tracey & Phillips, 2007). Another distinctive challenge is to manage the conflict that might occur when having the two demands at the core (Battilana et al., 2012; Doherty et al., 2014). This conflict can exist between internal stakeholders (i.e., employees, volunteers, founders) who might be divided into two conflicting groups (a social group and a commercial group), which in turn is expected to have an impact on the organization's identity (Tracey & Phillips, 2007). The conflict can also exist between external stakeholders (i.e., beneficiaries, clients, investors, third sector, government) who might make

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3 conflicting demands from the organization (Alberti & Varon Garrido, 2017; Santos et al., 2015).

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5 Thus, the organization requires different competences able to not only handle these conflicts
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7 but also transform them into blessings and benefits for the organization (Alberti & Varon
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9 Garrido, 2017; Hockerts, 2015; Smith et al., 2012).

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12 Because of these distinctive challenges, social ventures require human resources with a set of
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14 different competences to embrace such challenges (Kickul et al., 2012; Miller et al., 2012;
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16 Pache & Chowdhury, 2012; Plaskoff, 2012). However, the literature shows there is a lack of
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18 human resources with such competences to effectively manage social ventures of a hybrid
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20 nature (Battilana et al., 2012). Therefore, an issue in the hiring process (Battilana et al., 2012;
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22 Bruneel et al., 2016) has also been raised as a consequence of this demand and because of a
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24 lack of potential employees with previous knowledge of and experience at hybrid organizations.
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30 Three options are considered in the selection criteria: first, employ people with a background
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32 in either one of the sectors (nonprofit or for-profit): this strategy, while effective in avoiding
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34 any conflict, would most likely lead to a mission drift (Battilana et al., 2012). Second, employ
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36 a mix of employees from both sectors (social and commercial) (Bruneel et al., 2016; Scarlata,
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38 Zacharakis, & Walske, 2016). For instance, Bolivia's Banco Solidario (BancoSol), a
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40 microfinance NGO, considered this strategy and hired a mix of people from both backgrounds
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42 – social work and bankers – and then conducted training sessions for them to prepare them for
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44 the hybrid form. However, this resulted in fighting and conflict between the two groups, and so
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46 the CEO of BancoSol thought it was better to switch roles, so he put the bankers in social work
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48 positions and people with a social work background in banking roles. Unfortunately, the results
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50 were not very satisfactory (Battilana et al., 2012). Third, to employ people with no prior
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52 experience in any of the sectors (fresh graduates) and then hold training and professional
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54 development sessions for them regarding how to maintain balance and determine what culture
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56 is intended to be created in the space (Battilana et al., 2012). An example of the third option is
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3 Adiva, “a French nonprofit that aims to transform the workforce of French cooperation as to
4 what the job entails” (Battilana et al., 2012). Adiva discovered that training employees with no
5 prior experience to handle a job at a hybrid organization pays off and maintains a better balance
6 between its social and commercial missions, and with less conflict. However, this last option
7 requires time and financial resources, which are limited in social venture cases (Beugré, 2016).
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THE THEORETICAL FRAMEWORK

The theoretical framework of this study is based on the theoretical perspective of Smith et al. (2012) on the paradox theory (Lewis, 2000), which provides insights into the nature, challenges and responses of competing demands in organizations. For an overview of the paradox theory literature, see (Smith & Lewis, 2011; Smith & Tracey, 2016).

Smith et al. (2012) were among the first to build “a paradoxical leadership model for social entrepreneurs,” correlating the challenges that emerged in managing the tensions between competing demands (social and commercial) at social hybrid ventures using the required skills and pedagogical tools to teach these skills. The main argument of Smith et al. (2012) is that the “social and commercial sides of a social enterprise are not isolated from one another. Rather, they are inherently interrelated and often conflicting”; thus managing social and commercial demands requires a different set of skills than those required in a traditional enterprise (Miller et al., 2012; Pache & Chowdhury, 2012; Plaskoff, 2012; Smith et al., 2012; Tracey & Phillips, 2007).

The structure of the model is demonstrated at three levels. First, the main challenges emerge when managing social hybrid ventures: “maintaining both social mission and commercial viability” and “overcoming intractable conflict”. Second level illustrates the meta-skills and specific skills associated with the two challenges in the above. The third level provides the suggested pedagogical tools to teach the specific skills identified at the second level. This study mainly focuses on the second and third levels of the model (skills and pedagogical tools), and this focus takes two directions. The first direction is to use the specific skills and suggested pedagogical tools to evaluate social entrepreneurship education in Italy. It is important to know that the model is based on an award-winning undergraduate course at Cornell University – Social Entrepreneurs, Innovators, and Problem Solvers (SEIP) – that “was recognized by

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3 Ashoka in 2010 as one of 10 exemplary university syllabi around the world for teaching social
4 entrepreneurship” (Smith et al., 2012). In addition, the model is also based on the “Digital
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6 Divide Data (DDD), a 10-year-old social enterprise in south-east Asia [which] won awards and
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8 grants from the Skoll and Rockefeller Foundations” (Smith et al., 2012). Therefore, the model
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10 is built on a solid foundation, which justifies our reason for using it to evaluate social
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12 entrepreneurship education in Italy. However, the second direction of this study is to further
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14 improve this model, in particular its third level (pedagogical tools), as the pedagogical tools
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16 suggested in the model remain limited and must be enriched with a variety of tools and theory
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18 building.
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24 The three meta-skills proposed by Smith et al. (2012) at the second level are acceptance,
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26 differentiation and integration. In addition, six specific skills are suggested along with some
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28 pedagogical tools to teach each of them. The definitions of the meta-skills, specific skills and
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30 the classroom’s pedagogical tools are summarized in Table 1.
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METHODOLOGY

This study evaluates social entrepreneurship education in Italy as a non-Anglo-Saxon country. Italy is a good setting for our study, given its long tradition in the area of social cooperatives and social venture. In an executive summary reported in 2014 by the European Commission mapping the social ventures and their eco-system in Europe, it was stated that Italy is “the only EU country with both a law on social cooperatives (legal form) as well as a law on social enterprises (legal status)”; additionally, it is one of the EU countries where a majority of its social ventures are characterized by hybridity because they derive their main revenues from market sources. Furthermore, the European Commission has reported that Italy is one of the EU countries that provides services and special support for social ventures, and the only EU country where “social reporting” is compulsory for social ventures (European Commission, 2014). Thus, social ventures in Italy occupy an important space in the Italian market, supported by law and policies, and where the majority is characterized by hybridity. This, in turn, would demand competencies capable of effectively managing such ventures, considering their hybrid nature and how the market is changing. On the other hand, social entrepreneurship education is evolving in Italy, but it still not certain whether this education and social ventures in Italy are co-evolving simultaneously. This study evaluates social entrepreneurship institutional education in Italy to see whether it meets the demand for competencies capable of managing hybrid social ventures. To do so, it employs a content analysis for all social entrepreneurship courses taught at all Italian universities. The content of the courses is evaluated based on the model developed by Smith et al. (2012). The content analysis methodology is explained in the following section.

Web-Based Search and Content Analysis

Guided by Millar et al. (2012)’s methodology contribution to the content analysis of social entrepreneurship course descriptions, we targeted the business and management schools in Italy

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3 offering social entrepreneurship courses at the bachelor's and master's degree levels and then
4 applied content analysis to examine the skills taught and pedagogical tools integrated into their
5 course syllabi.
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10 To perform the content analysis of the social entrepreneurship course syllabi on a country level,
11 we follow the following steps. First, since the target is institutional education at the bachelor's
12 and master's degree levels, all Italian universities (public and private) were identified. Second,
13 we searched each university website by looking for departments and faculties of management,
14 business, economics and/or management engineering to identify related courses. By reviewing
15 each website, courses with a focus on social entrepreneurship and/or social innovation were
16 identified and all available course syllabi were collected. Third, whether the syllabus was
17 available online or not, the corresponding lecturer or coordinator of the course was contacted
18 by email with a request to provide a copy of an updated course syllabus if it differed from the
19 published one and, if possible, to provide information on the number of students that took the
20 course in the last academic year. Fourth, since most of the course syllabi were in Italian, the
21 "translate to English" option at Google Chrome was used to translate them into English.
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37 There are 98 universities in Italy. After reviewing their websites, it was noted that 74 of them
38 have management, economics, business and/or management engineering departments and
39 faculties. Of these, 16 have a total of 25 courses relevant to social innovation, social
40 entrepreneurship, nonprofit organizations, rural development and sustainability, four at the
41 bachelor's level. Next, only those courses focusing directly on social entrepreneurship and
42 social innovation were included to eventually collect 8 social entrepreneurship syllabi from 7
43 universities. All 8 courses are from graduate programs. Of the 7 universities, one delivers two
44 courses on social entrepreneurship for their students: a module and a laboratory. However, the
45 geographical distribution of those 7 universities indicates that 6 courses out of 8 courses are
46 given in the north of Italy, while the remaining two courses are based in the centre, which leaves
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3 the southern part of Italy free of social entrepreneurship courses. Table 2 shows the 7
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5 universities and their 8 courses.
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11 The content analysis method employed on the collected course syllabi was based on the Smith
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13 et al. (2012) model, where each syllabus was analysed for evidence of the specific skills and
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15 pedagogical tools suggested in the model. The course syllabus was analysed, including learning
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17 objectives, course description, topics, assessment, references and readings.
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21 Each syllabus was coded based on the specific skills and examples of pedagogical tools of the
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23 Smith et al. (2012) model. As explained in the theoretical framework section, Smith et al. (2012)
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25 identified three meta-skills required to embrace the challenges in managing social and
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27 commercial demands at social hybrid ventures. Next, the authors identify six specific skills,
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29 sets of two relevant to one meta-skill, then suggest examples of pedagogical tools to teach each
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31 specific skill in both classroom and field settings. In this study, the focus in on the learning
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33 tools in a classroom setting alone. The coding process employed was double coding, where
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35 each of the two coders was responsible for deciding which content of each syllabus indicates
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37 specific skills and/or pedagogical tools by awarding “1” if the skill or pedagogical tool is
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39 addressed and “0” if they are not addressed in the corresponding syllabus. Next, both coders
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41 shared their coding scheme but discussed any differences and eventually made a mutual
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43 decision. In addition, the coding process identified new examples of pedagogical tools, if any,
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45 other than the ones suggested by the model. After the coding process, and in order to support
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47 the content analysis, an interview with each course educator was conducted. The interviewer
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49 explained the six specific skills, then asked the educators if they applied any of those skills in
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51 the classroom; if so, there was a follow-up question about what pedagogical tools they
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3 employed. In the last stage, the educators' answers were combined with the coding in order to
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5 eventually obtain a rigorous evaluation of the selected social entrepreneurship courses.
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RESULTS

This section demonstrates the results of the content analysis of social entrepreneurship syllabi at Italian educational institutions, which evaluate if the delivered social entrepreneurship courses at Italian universities teach the specific skills and use the pedagogical tools suggested by the paradoxical leadership model for social entrepreneurs (Smith et al., 2012).

Part 1: Results of Specific Skills and Pedagogical Tools

Table 3 and Table 4 outline the summary statistics by specific skills and pedagogical tools, respectively. The top two specific skills taught in social entrepreneurship courses at Italian universities include recognizing the distinct value between domains and seeking synergies in decision-making. The first one is examined in all 8 courses; it is presented in teaching managerial skills through creating business models, social impact measurement and financial management. The second one is shown in 5 courses; it is demonstrated through teaching scaling strategies, decision-making process and learning from visiting practitioners. On the other hand, there are three skills that lack sufficient attention in the courses reviewed: first, developing trust, openness, and cultural sensitivity, which was found in only 1 course; second, embracing paradoxical thinking, which was examined in 3 courses; and third, mindfully attending to distinctions between domains, which was been seen in 2 courses. Those three skills are highly associated with soft and thinking skills. It was also noted that few of the courses reviewed use the pedagogical tools suggested by the model, as shown in Table 4. However, other tools are used in those courses, as explained in detail in part 2 of the results section. Business plan development and role modelling integrative decision-making were the tools most used; however, both were considered only in 3 courses out of 8.

[Table 3 near here]

[Table 4 near here]

As an overview of the analysis, Figure 1 illustrates the analysis of the SE syllabi's skills and pedagogical tools. For each specific skill and pedagogical tool, there is a number indicating the number of courses that consider the corresponding specific skill or pedagogical tool in their learning materials. If the number is 8, this means that all courses reviewed show an application of that skill or tool, whereas if the number is 3, this means that 3 courses out of 8 show an application of that skill or tool. The figure indicates that one the specific skills relevant to the "differentiation" meta-skill is most addressed by Italian social entrepreneurship courses at educational institutions.

[Figure 1 near here]

Part 2: Results of the Courses Reviewed

Table 5 outlines the results for the 8 courses reviewed regarding the application of the 6 specific skills and 11 pedagogical tools suggested in the model of Smith et al. (2012). Four courses showed a medium level of specific skills application, with 3 or 4 skills examined in their syllabi, while three courses showed low performance regarding specific skills, with 1 or 2 skills listed on their syllabi. Only one course indicated a high level of skills application, with 5 skills out of 6 recognized on its syllabus.

[Table 5 near here]

On the other hand, looking at the pedagogical tools suggested by the model of Smith et al. (2012), medium-to-low applications are recognized, knowing that other pedagogical tools are elicited while reviewing the syllabi. As indicated in Table 6, for each specific skill, there are other ways to teach those skills examined in the syllabi reviewed.

[Table 6 near here]

The focus of the social entrepreneurship course reviewed is based more on theory building and managerial tools: theory building such as theory of change, multi-stakeholder approach and economic theories, and managerial tools such as social impact measurement, financial management, simulation and scaling strategies, while the other pedagogical tools used are more traditional, such as case studies, lecturing and simulation.

RECOMMENDATIONS FOR EDUCATORS AND POLICY-MAKERS

As a reflection on the results section, a set of recommendations is discussed in this section. These recommendations are for educators and policy-makers in Italy who are keen to enhance the social entrepreneurship learning experience and further arm managers with the necessary skills to manage social hybrid ventures, which in turn is expected to have a positive influence on such organizations.

The results show that social entrepreneurship courses in Italy are characterized as follows:

1. Limited number of courses at universities.
2. Courses are concentrated in the north of Italy, with few in the centre and none in the south.
3. Content of the courses is more theoretically based, strong in theories.
4. In terms of skills, managerial skills are the ones getting attention.
5. Lack of attention on soft skills and fieldwork.
6. The laboratory courses are the ones with fieldwork.
7. Pedagogical tools are focused more on managerial skills than personal, soft and thinking skills.

From the above, three recommendations are provided. First, since Italy has a long history of social entrepreneurship and social cooperatives and is growing its market in this direction, there will be a need for qualified individuals to manage such organizations of a hybrid nature. However, as the distribution of courses throughout Italy is not balanced, it is recommended that policy-makers devote more attention to such education at universities all over Italy, especially the central and southern regions. Second, the experience of having a course and a laboratory to teach social entrepreneurship at a management and business school, as we examined in two universities in the north of Italy, shows the best practice among the other courses. Teaching two

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3 courses, one theoretical and one practical, to the same students provides a better learning
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5 experience than leveraging on one course. This also shows a better application of the specific
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7 skills realized by the Smith et al. (2012) model.
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11 Third, to devote more attention to soft skills and fieldwork by applying different learning
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13 theories. A focus on applying learning theories and developing learning methods for social
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15 entrepreneurship education was clearly evidenced in the literature; these included critical
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17 learning theory, transformational learning theory and epistemological development (Alden
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19 Rivers, Armellini, Maxwell, Allen, & Durkin, 2015), experiential learning theory (Kickul,
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21 Griffiths, & Bacq, 2010; Yann Ching Chang, Benamraoui, & Rieple, 2014), and social learning
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23 theory (Howorth, Smith, & Parkinson, 2012). Both experiential learning theory and
24
25 transformational learning theory are used and considered to obtain a more effective learning
26
27 experience in social entrepreneurship education.
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31
32 Experiential learning theory, which “has been used in both management and entrepreneurship
33
34 studies” (Kickul et al., 2010), calls for building knowledge through direct experience. Based on
35
36 this theory, studies have performed experiments on students using one of the following
37
38 methods: service learning, which is a specific way of learning that pushes students to be
39
40 engaged in the community and raise their accountability to be part of the change (Othman &
41
42 Ab Wahid, 2014); learning by doing, where students at the Westminster Business School in
43
44 London experimented with real fund-raising activities to gain social entrepreneurship skills and
45
46 knowledge (Chang, Benamraoui, & Rieple, 2013); a field-trip project at a private business
47
48 school in Jakarta, Indonesia, which raised students’ social awareness and social responsibility
49
50 (Sunaryo, 2015); and, alternatively, “the practice of design thinking for societal transformation
51
52 in local contexts, which includes procedures to gain empathy and insight into patients’ or
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54 communities’ experiences to identify their unmet needs” (Cipolla & Bartholo, 2014).
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3 If any of these experimental learning methods were followed by a reflection process on the
4
5 experience to challenge students' beliefs and practices in terms of managing social hybrid
6
7 ventures, then this is an implementation of the transformational learning theory developed by
8
9 Mezirow, who pointed out that this theory "is rooted in the way human beings communicate
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11 and is a common learning experience not exclusively concerned with significant personal
12
13 transformations" (Mezirow, 1997). This theory focuses on challenging and changing beliefs
14
15 and practices through critical thinking and reflection on one's personal experiences. Mezirow
16
17 (1997) stated that, "to facilitate transformative learning, educators must help learners become
18
19 aware and critical of their own and others' assumptions. Learners need practice in recognizing
20
21 frames of reference and using their imaginations to redefine problems from a different
22
23 perspective. Finally, learners need to be assisted to participate effectively in discourse.
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25 Discourse is necessary to validate what one understands, or to arrive at a best
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27 judgement regarding a belief".
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33 **RECOMMENDATIONS FOR THE PARADOXICAL LEADERSHIP MODEL**

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36 A second set of recommendations, inspired by the courses reviewed, aims at improving on the
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38 paradoxical leadership model (Smith et al., 2012).
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42 First, the model is clear enough to be used to evaluate social entrepreneurship courses based on
43
44 the specific skills suggested in the model. To thoroughly examine the courses, a content analysis
45
46 is required to evaluate if the courses are intended to teach the skills required to manage hybrid
47
48 organizations. However, this evaluation lacks the students' perspectives. To obtain the students'
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50 perspectives, measures for each specific skill must be developed to measure the impact of such
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52 courses on the students' skills. This process would open the door for future research.
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3 Second, the pedagogical tools suggested in the model still include few examples, and these can
4
5 be enriched by including other pedagogical tools, such as learning from the Italian experience,
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7 as suggested in Table 6.
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11 Third, the model does not demonstrate how theory has a part in classroom learning; however,
12
13 it is an important part of building students' knowledge and skills. We recommend strengthening
14
15 the model with more theoretical bases in addition to the suggested specific skills. In addition,
16
17 the interaction between individuals, field (practice) and domain (theories) are argued to provide
18
19 a sufficient learning experience and to encourage creativity (Csikszentmihalyi, 1999): we
20
21 believe that this aspect should be recommended. One suggestion for integrating theory and
22
23 practice in the model, a lesson learned from the Italian experience, is that a two-fold course
24
25 (course and laboratory) be delivered to the same students, where teaching theory and practice
26
27 can both take place and provide space for the application of specific skills. The model can be
28
29 improved to include theory along with skills and be delivered in two courses to the same
30
31 students to ensure a better learning experience. Table 6 in the results section shows which
32
33 theories are thought to enrich each specific skill. Further reflection about how to extend the
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35 model using theories is invited to improve the model.
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CONCLUSION

Lastly, our results provide insights for educators and policy-makers to improve their social entrepreneurship institutional education. Additionally, the results contribute to the social entrepreneurship literature by providing insights for theorizing social entrepreneurship education.

This study has three main limitations. First, non-institutional education, which is not included in the study, is expected to play an essential supply-side role and fill the gap in institutional education; this is suggested as a future research topic. Second, the study lacks a quantitative analysis of the number of students and the market need for employees capable of managing social hybrid ventures. Third, as stated above, the students' perspective is not included, which is also suggested as a future topic of study.

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Table 1 Definitions of meta-skills, specific skills and pedagogical tools (Smith et al., 2012)

Meta-skills	Specific Skills	A Classroom’s Pedagogical Tools
<p>Acceptance: is to be committed to both sides of competing demands by admitting that each side is possible even if they are in conflict.</p>	<p>Adopting an abundance mentality: viewing a problem as an opportunity, building community and conducting an open dialogue are the building blocks of this skill, which in turn helps to seek out possibilities when having the two competing demands, rather than focus on limitations.</p>	<p>Abundance-based grading and course assignments: grading based on collaboration instead of competition.</p>
	<p>Embracing paradoxical thinking: the ability to recognize each side of the competing demands and further accept each one.</p>	<p>Gratitude exercise: thinking of as many grateful aspects as possible of a certain scenario.</p> <p>Instructor role modelling: providing constructive feedback to each other.</p> <p>Paradoxical thinking models: provide students with readings about cases in which the paradox between two actors or elements creates a recognized conflict.</p>
<p>Differentiation: is to maintain the commitment to both sides of competing demands by differentiating each side’s characteristics and added value.</p>	<p>Recognizing the Distinct Value of Each Domain: to be able to measure and further improve each domain distinct from the other.</p>	<p>Embed mission and business plan development in course structure: teach students how to develop a business plan for an social entrepreneurship project and how to measure its social impact.</p> <p>"Big Idea" project: to create an idea for an social entrepreneurship project from scratch and develop a business plan for it.</p>

	<p>Mindfully Attending to Distinctions Between Domains: the ability to seek novel information about each domain.</p>	<p>Divergent thinking exercises: to think of as many uses as possible for a certain object, or as many solutions as possible to solve a certain problem.</p>
<p>Integration: is to combine elements from both sides of competing demands by constructively rather than destructively integrating them.</p>	<p>Developing Trust, Openness, and Cultural Sensitivity: to be able to create a safe space between people committed differently to both sides. This safe space must allow for openness, trust and cultural sensitivity.</p>	<p>Field projects: open the space for students to go outside the classroom and work for an social venture.</p> <p>Transformation groups: create groups of students that can feel safe in communicating and opening up to each other in order to learn how to give trust and to feel trusted.</p>
	<p>Seeking Synergies in Decision-Making: to be able to make decisions that balance the demands of both sides while never letting one side dominate the other.</p>	<p>"Big Idea" project: to further work on the same social entrepreneurship project the students have created, whereas this time to ask them to work on integrating the social and business sides of the project. Moreover, to show that the success of the project depends on this integration decision.</p>
		<p>Role modelling integrative decision-making: to invite social entrepreneurs to share their experiences in making decisions and to show their impact on both sides (social and commercial).</p>

Table 2 Universities and selected social entrepreneurship courses

University	Type	Location	social entrepreneurship courses	Course level
Università degli Studi di Cassino	Public university	Cassino (Centre of Italy)	Entrepreneurship and Rural Development	Master of Science
Alma Mater Studiorum - Università di Bologna	Public university	Bologna (North of Italy)	Social Entrepreneurship	Master of Science
Università degli Studi di Milano-Bicocca	Public university	Milano (North of Italy)	Management and Social Entrepreneurship	Master of Science
Politecnico di Milano	Public university	Milano (North of Italy)	Social Innovation	Master of Science
Politecnico di Milano	Public university	Milano (North of Italy)	Business in Transformation: social and sustainability challenges	Master of Science

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60	Università Commerciale Bocconi Milano	Private university	Milano (North of Italy)	Social Entrepreneurship and Impact Investing	Master of Science
	Libera Università degli Studi "Maria SS. Assunta"	Private university	Roma (Centre of Italy)	Finance of Social Enterprises	Master of Science
	Università degli Studi di Trento	Public university	Trento (North of Italy)	Path of Social Entrepreneurship: management and social reporting	Master of Science

Table 3 Syllabus specific skills in eight social entrepreneurship courses at Italian universities

Specific Skills	Frequency (out of 8 courses)
Adopting an abundance mentality	4
Embracing paradoxical thinking	3
Recognizing the distinct value of each domain	8
Mindfully attending to distinctions between domains	2
Developing trust, openness and cultural sensitivity	1
Seeking synergies in decision-making	5

Table 4 Syllabus pedagogical tools in social entrepreneurship courses at Italian universities

Pedagogical tools	Frequency (out of 8 courses)
Abundance-based grading and course assignment	0
Gratitude exercise	0
Instructor role modelling	2
Paradoxical thinking model/cases	2
Embed mission and business plan development in course structure	3
Big idea project	2
Divergent thinking exercises	0
Field project	1
Transformation group	0
Big idea project	1
Role modelling integrative decision-making	3

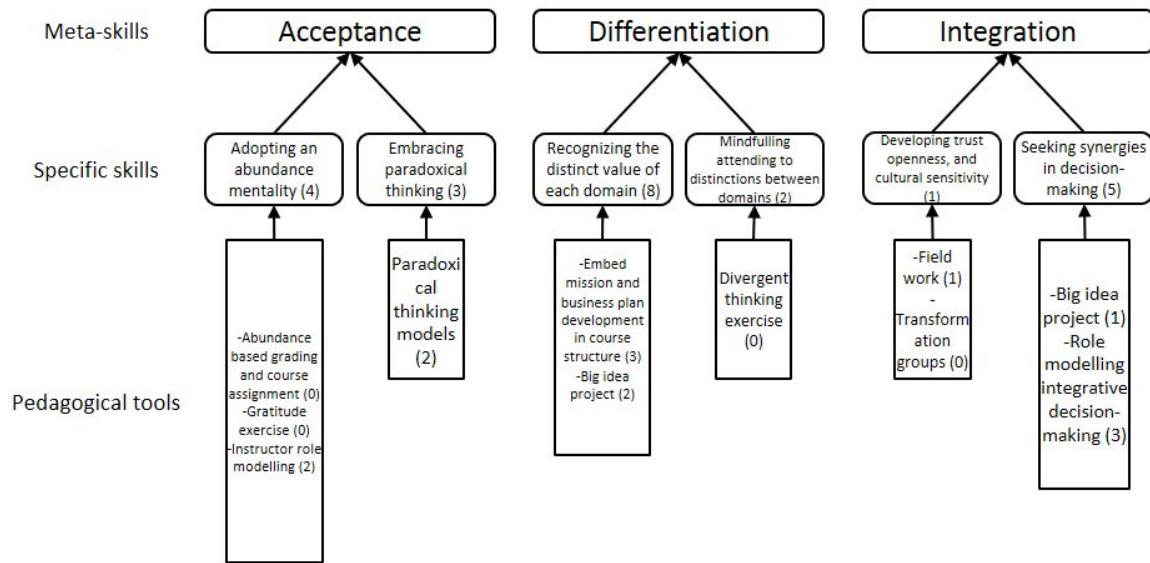


Figure 1 Syllabus analysis of skills and pedagogical tools in social entrepreneurship courses in Italy, based on Smith et al.'s (2012) paradoxical leadership model

Table 5 social entrepreneurship courses in Italy and the results of specific skills and pedagogical tools application

Course index	No. of specific skills found in each course (out of 6 skills)	No. of pedagogical tools found in each course (out of 11 tools)
1	1	0
2	3	0
3	3	1
4	4	4
5	5	6
6	2	2
7	1	0
8	4	1

Table 6 Other content and pedagogical tools are elicited from social entrepreneurship courses
in Italy

Specific skills	Content & pedagogical tools elicited from the courses reviewed
Adopting an abundance mentality	<ul style="list-style-type: none"> - case studies about collective action - theoretical models on how to involve stakeholders in value creation - theory about a co-creation and multi-stakeholder approach
Embracing paradoxical thinking	<ul style="list-style-type: none"> - models exist between nonprofit and for-profit international models and Italian social entrepreneurship - the case or story of Italian business administration and Catholic social teaching; the paradox between nonprofit and for-profit. Provided as reading material.
Recognizing the distinct value of each domain	<ul style="list-style-type: none"> - teaching economic theories of entrepreneurship - teaching financial tools for sustaining rural entrepreneurship, and diagnosis of integrated rural development models - simulation of social entrepreneurship projects - teaching theory of change, training on the vocabulary of thinking and communicating social value - teaching financial management - teaching social impact measurement
Mindfully attending to distinctions between domains	<ul style="list-style-type: none"> - ask students to provide alternative solutions (two solutions) for the case study they work on

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60	Developing trust, openness and cultural sensitivity	<ul style="list-style-type: none">- training on the cultural differences in the decision-making game and to explore these differences
	Seeking synergies in decision-making	<ul style="list-style-type: none">- balancing the social and commercial through simulation of an social entrepreneurship project- teaching scaling strategies theory and asking students to apply them to case studies- personal skills in how to address the complexity of the decision-making process- identify, evaluate and develop integrated reporting systems

The influence of founding team heterogeneity on the emergence and performance of hybrid organizations

Abstract

This empirical paper aims to answer the poorly addressed, especially by quantitative studies, question of the emergence and performance of hybrid organizations. It does so by testing the model proposed by Dufays and Huybrechts (2016). The study extends the model by including social performance to advance our understanding of whether the performance of an organization and hybridity are influenced by the heterogeneity of the founding team. The model is tested on data collected from 456 social organizations. The results indicate that organizations with founding teams that are heterogeneous in specific human capital are more likely to exhibit greater levels of hybridity and social growth, while those with teams that are heterogeneous in general human capital are more likely to exhibit a lower level of hybridity. Suggestions are provided to practitioners in the field to consider the variables studied in this paper – such as the human capital variables on the individual and/or team levels.

Keywords

Hybrid organizations, human capital, institutional logics, social ventures

Introduction

A hybrid organization is established based on more than one institutional logic to meet two different types of demand at the same time (Pache & Santos, 2010). In most cases, these demands compete and potentially conflict. Social ventures (SVs) are organizations that are established based on two logics: social and commercial. Such organizations meet the demand of their beneficiaries for creating social value simultaneously with their efforts to earn a profit through entrepreneurial activities to pursue financial sustainability (Doherty, Haugh, & Lyon, 2014; Pache & Santos, 2010; Santos, Pache, & Birkholz, 2015; Smith, Besharov, Wessels, & Chertok, 2012; Tracey & Phillips, 2007). Therefore, SVs are characterized by hybridity (Bromberger, 2011; Doherty et al., 2014; Haugh, 2007; Lee, 1937; Santos et al., 2015).

Having both types of demand (social and commercial) creates distinctive managerial challenges that require competencies that differ from those needed by traditional enterprises (Doherty et al., 2014; Miller, Wesley, & Williams, 2012; Pache & Chowdhury, 2012; Tracey & Phillips, 2007). However, the literature stressed the lack of human resources with such competencies to effectively manage hybrid SVs (Battilana, Lee, Walker, & Dorsey, 2012). Therefore, an issue in the hiring process (Battilana et al., 2012; Bruneel, Moray, Stevens, & Fassin, 2016) concerning the lack of potential employees with previous knowledge and experience at hybrid organizations has also been raised as a consequence of this demand. As a proposal for this human resource issue, existing studies claimed that organizations with two institutional logics need founding teams with different prior backgrounds; however, the question of whether a homogeneous team performs better than a heterogeneous one remains underexplored (Beugré, 2016; Doherty et al., 2014).

Empirical evidence on the antecedents and the outcomes of hybrid organizations is still needed. This article is interested in the influence of collective human capital of the founding team on the emergence and performance (economic, organizational and social) of hybrid organizations. This empirical paper aims to answer the poorly addressed, especially by quantitative studies, question of the emergence and performance of hybrid organizations (Scarlata, Zacharakis, & Walske, 2016). The

paper tries to answer this question by testing the model proposed by Dufays and Huybrechts (2016), who developed a set of propositions focusing on the heterogeneity of the founding team as a possible driver of the emergence of a hybrid organization. Considering the links among human capital, hybridity and organizational performance (e.g., Battilana & Lee, 2014; Mair, Mayer, & Lutz, 2015), the study extends the model by including the organizational performance to advance our understanding of whether the performance of an organization and its hybridity are influenced by the heterogeneity of the founding team.

To this end, a survey was conducted on a random sample of 3682 SVs in Italy, with a 12.5% response rate; 456 responses were collected. The existing literature (Beugré, 2016; Doherty et al., 2014; Dufays & Huybrechts, 2016) suggests that SVs are driven and better managed by a heterogeneous founding team; so far, few empirical studies exist in this domain (Estrin, Mickiewicz, & Stephan, 2016; Rey-Martí, Ribeiro-Soriano, & Sánchez-García, 2016; Scarlata et al., 2016). Although these studies have interesting results with regard to the human capital of SVs, they are still limited, and none of them investigated the impact of heterogeneity of human capital on hybrid organizations. This paper is a step forward to filling this gap in the literature.

Overall, our aim is to contribute to the literature on social entrepreneurship, human capital and institutional logics. We accomplish this by testing the model proposed by Dufays and Huybrechts (2016) to advance our understanding of the influence of human capital upon the emergence and performance of social hybrid ventures, which is also crucial for hybrid organizations and policy makers who want to grow such organizations, as well as for educators of social entrepreneurship.

The article is structured as follows. First, based on the human capital theory (Becker, 1975) and the hybrid collective entrepreneurship model developed by Dufays & Huybrechts (2016), hypotheses are developed for how the heterogeneity of the founding team impacts the firm emergence and performance. Second, the methodology applied in this study is presented, including the description of the data. Third, the results of the empirical analysis are shared and the findings are discussed. Finally, directions for future work are discussed.

Theoretical framing

Dufays and Huybrechts (2016) were the first to advance theoretical propositions about the antecedents of collective entrepreneurial dynamics. In their model, the researchers draw on entrepreneurship and institutional theories, and, in particular, the institutional logic concept (Greenwood, Díaz, Li, & Lorente, 2010). The model posits that the founding team's heterogeneity with regard to education and professional experience is more likely to bring hybridity to the organizations the founders establish. Estrin et al. (2016) also highlighted "the importance considering heterogeneity in the effects of general human capital on both individuals' skills and preferences"; considering heterogeneity might advance our understanding of some of the drivers of emergence and performance of various types of organizations, such as social hybrid ventures. Several studies have examined the prediction of different entrepreneurial outcomes by the organizations' human capital (examples of entrepreneurial outcomes are organizations' emergence, growth, attractiveness to venture capital, etc.); well-known studies were performed by (Colombo, Delmastro, & Grilli, 2004; Colombo & Grilli, 2005, 2010). However, most of these studies were focused on traditional enterprises, while few studies, such as (Estrin et al., 2016; Rey-Martí et al., 2016; Scarlata et al., 2016), examined the role of human capital in hybrid SVs.

The human capital theory (Becker, 1975) is defined by general and specific human capital; the general human capital is the knowledge and skills obtained through formal education (explicit knowledge). In contrast, the specific human capital is the knowledge and experience obtained via professional experience (tacit knowledge). The theory states that the human capital of a firm's founders and workers predicts the firm's entrepreneurial outcomes. As emerging hybrid SVs are mostly small, founders are expected to have a major influence on their organizations (Scarlata, Walske, & Zacharakis, 2017).

To test the proposition of Dufays and Huybrechts (2016) that states that heterogeneity in education (general human capital) and experience (specific human capital) is an avenue for the emergence of hybrid organizations, Estrin et al. (2016) studied the general (education) and specific

(experience) human capital as motivators of social and commercial entry. The researchers observed that “general human capital is relatively more important for social entrepreneurship while specific human capital is relatively more important for commercial entrepreneurship”, while Scarlata et al. (2017) performed a study comparing the human capital of SVs to that of traditional ventures. The authors observed that education and experience of the founding team were indeed significant in hybrid organizations; founders of such organizations have a high level of commercial and social experience and are less educated in business, engineering, science and law than are founders of traditional organizations. This finding shows that both general and specific human capital are indeed significant in hybrid organizations. Having both social and commercial experience in the same team raises the heterogeneity factor and is expected to result in having individuals who manage each side of the hybrid nature of the organization. As to education, the presence of individuals with business and managerial knowledge would support the emergence of the self-financing capability of the organization. Furthermore, the presence of individuals with other educational backgrounds is expected to enrich the social value creation of the organization. Therefore, we argue that heterogeneity of both education and experience is necessary for the emergence of hybrid organizations, and each type of human capital would have a role in the emergence of such organizations, leading to the following hypotheses shown in Figure 1:

Hypothesis 1: SV founding teams with higher levels of heterogeneity of both education and experience have higher hybridity levels than those of founding teams with lower levels of heterogeneity.

Hypothesis 1a: SV founding teams with higher levels of heterogeneity of general human capital (education) have higher hybridity levels than those of founding teams with lower levels of heterogeneity in general human capital.

Hypothesis 1b: SV founding teams with higher levels of heterogeneity of specific human capital (experience) have higher hybridity levels than those of founding teams with lower levels of heterogeneity in specific human capital.

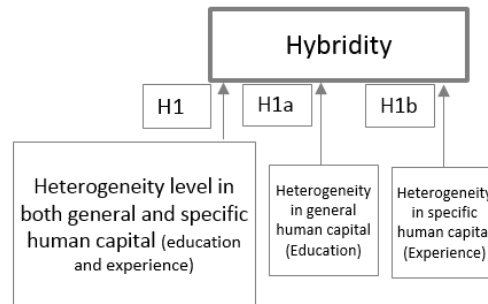


Figure 1. Overview of the structural model underlying the hypotheses (part 1)

Scarlata et al. (2016) performed a quantitative study of 43 firms, exploring whether experience in commercial and social efforts positively influenced the performance of philanthropic venture capital firms that were dual-objective organizations. The researchers observed that individuals with more commercial experience were more likely to positively influence the economic performance of their firms. Additionally, social experience had a positive impact on social performance. In contrast, coupling social and commercial experiences significantly decreased the social performance and the total performance of the firm. On the other hand, Rey-Marti et al. (2016) examined the impact of various factors on the size of a social enterprise. The authors observed that founders with relevant experience (specific human capital) had a positive influence on the growth of founders' enterprises. SVs want to increase their social impact, ensuring that their beneficiaries receive the value the beneficiaries need. As such, social experience helps understand the social needs and how to meet them and increase the impact. However, the commercial experience also helps indirectly support the economic sustainability of the organization, which in turn would help sustain social value creation. On the other hand, heterogeneity of education and the presence of individuals with educational background in management and business studies would facilitate financial sustainability, which in turn would have an impact on sustaining social value creation. Additionally, the presence of individuals with other educational backgrounds is a source of other perspectives on the social aspects of the work. Therefore, we argue that heterogeneity of both education and experience as well as of each of them separately are necessary for SVs' social performance, leading to the following hypotheses shown in Figure 2:

Hypothesis 2: SV founding teams with higher levels of heterogeneity of both education and experience have higher social growth than that of founding teams with lower levels of heterogeneity.

Hypothesis 2a: SV founding teams with higher levels of heterogeneity of general human capital (education) have higher social growth than that of founding teams with lower levels of heterogeneity of general human capital.

Hypothesis 2b: SV founding teams with higher levels of heterogeneity of specific human capital (experience) have higher social growth than that of founding teams with lower levels of heterogeneity of specific human capital.

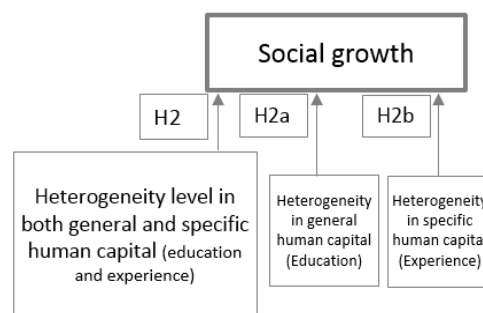


Figure 2. Overview of the structural model underlying the hypotheses (part 2)

Methodology

To test our hypotheses, we focus on social organizations in Italy. To identify them, all organizations with any of the following three legal forms were selected: social cooperatives, social enterprises, and SIAVs¹. These legal forms were selected because they included all social organizations allowed to engage in commercial activities in addition to social value creation. The official list of all such organizations was accessed in May 2017 via the AIDA² database and register of the Chamber of Commerce. The complete set of 9204 social organizations in Italy that are organized according to the three legal forms includes 8000 social cooperatives, 117 SIAVs and 1087 social enterprises. The sample was randomly selected using three stratifications: legal form (social cooperatives, SIAVs and social enterprises), region (north, centre and south), and size of organization (micro, small, medium and large). The random sample size was calculated using the sampling equation with 95% confidence level and approximately 1.25% margin error, resulting in the sample size of 3682 representing 40%

¹Startup Innovativa a Vocazione Sociale

²AIDA is a database that contains comprehensive information on companies in Italy with up to ten years of history. It can be used to research individual companies, search for companies with specific profiles and perform analysis. Additional information is available at <https://www.bvdinfo.com/en-us/our-products/company-information/national-products/aida>

of the population size. With 12.5% response rate, 456 completed answers were collected and analysed using correlations and linear regressions.

Using an administered survey, data were collected on founders' educational background and experience, organizations' social performance during the two years preceding the survey date, and the organizations' sources of funding as of the survey date to identify the hybridity factor. The construct measures were as follows: hybridity level, social growth, heterogeneity of educational background, heterogeneity of previous experience, heterogeneity of self-employment experience, number of founders, organization's age and size, founders' family wealth, and if the organization received any in-kind support from a parent company or public entity. Furthermore, the survey was first tested by five SVs' founders/managers who provided feedback before the survey was launched in May 2017. The survey was conducted via email and phone. The cover letter of the survey asked the founder or upper management to complete the survey to obtain information that was as accurate as possible.

We performed various tests to determine the potential non-response bias. In our dataset, the variables available for the entire population were the legal form, size and location. We balanced our sample based on these three variables, suggesting that non-responding social organizations did not differ from responding organizations. Oppenheim (1992) stressed that to test whether late respondents were similar to non-respondents, it was possible to compare early respondents to late respondents on the basis of the variables used. Respondents are considered to be late when their response was provided only after the first reminder (Oppenheim, 1992). The results of t-tests indicate that early respondents do not significantly differ from late respondents.

Measures and analysis

To test our hypotheses, heterogeneity level in education is measured at the firm level on a scale from 1 to 4. A high level of heterogeneity of education means that the organization has at least one founder with university education in management, economics or business studies, at least one founder with university education in any other subject, such as social science, architecture, agriculture, etc., and at least one founder with no university education. Similarly, heterogeneity in experience and self-employment is measured on a scale from 1 to 4. A high level of heterogeneity of experience means that the organization has at least one founder with previous experience at a social organization, at least one founder with previous experience at a for-profit organization, and at least one founder with no experience at any of the above. A similar approach is adopted to self-employment (i.e., self-employment at a social organization, self-employment at a for-profit organization, and no experience). Education and experience measures are based on (Colombo et al., 2004; Colombo & Grilli, 2005, 2010).

According to the definition of hybridity of SVs, SVs are based on two logics (social and commercial), whereby SVs pursue social value creation and simultaneously engage in commercial activities to ensure a self-financing state (Doherty et al., 2014; Pache & Santos, 2010; Santos et al., 2015; Smith et al., 2012; Tracey & Phillips, 2007). Organizations in our sample are by default social. In other words, the social logic already exists in all selected organizations. However, not all of them engage in commercial activities on the same level, whereby some organizations still rely on donations, while others rely more on self-financing, or equally on both. Based on the definition above, as all organizations in our sample are by default social, we argue that organizations in our sample become more hybrid when they rely more on self-financing rather than donations. Therefore, we measure the hybridity level based on the first, second and third sources of funding an organization relies on. The hybridity level is defined on the scale from -6 to 6. The value of -6 means that the organization relies the most on donations; 6 means that the organization relies the most on self-financing, and 0 means that the organization relies equally on both.

In evaluating social growth, beneficiaries are always the most important unit of study at SVs; however, such evaluation is usually associated with qualitative measures (Bengo, Arena, Azzone, & Calderini, 2016). To obtain a quantitative measure of social growth, we realized that most SVs typically display on their websites, social media and other outlets the number of beneficiaries as an indicator of how much such SVs achieve in their social mission. Therefore, social growth is measured in this study based on the growth of the number of beneficiaries of the same or new types on the scale (0-2).

We controlled for five variables. The first variable was the age of the organization. The second was founders' family wealth, as the literature stressed that greater personal wealth including family wealth was sometimes sufficient to relax certain financial constraints and achieve more (Colombo et al., 2004). The third was the number of founders. The fourth indicated if the organization has received any in-kind support from a parent company. The final variable indicated if the organization has received any in-kind support from a public entity. A linear regression model was fitted to the data to test the hypotheses. We treated the variables as continuous within their respective scales, consistently with the previous research (Scarlata et al., 2016).

Results

Table 1 reports the measures and descriptive statistics of dependent, independent and control variables for 456 social organizations. The statistics show that heterogeneity of work experience is higher than that of education; this finding can be understood by examining the data collected on the founders' level of education that showed that approximately 47% of founders of all social organizations had only high school education. The statistics also show that the mean of hybridity level is "0.879386", i.e., most organizations' hybridity level is between 0 and 1; this is an indicator that they rely on both donations and self-financing; since it is positive, most organizations are slightly biased towards self-financing.

Table 1. Measures of variables and descriptive statistics

Independent variables		Mean	SD (standard deviation)	Min.	Max.
HetEdu: Founders' heterogeneity level of education	- Degree	2.256579	.5324219	1	4
	- Area of study of the highest level degree				
HetExp: Founders' heterogeneity level of experience	- Previous experience at commercial organizations	3.175439	.7322476	2	4
	- Previous experience at nonprofits / social experience				
HetSEmployment: Founders' heterogeneity level of self-employment experience	- Did you have self-employment experience at a for-profit organization?	2.337719	.5703117	2	4
	- Did you have self-employment experience at a nonprofit organization?				
HetLevel: Founders' heterogeneity levels of both specific and general human capital	- Summation of HetEdu, HetExp, HetManager and HetSEmployment	9.964912	1.509995	7	15
Dependent variables					
HybridLevel: Organization's hybridity level	- Include, in order, the current funding sources of the organization (the first source of funding means the most significant source in terms of the amount of money provided; the second source of funding means the source of the second significant amount of money; the third source of funding refers to the source of the third significant amount of money)	.879386	3.051343	-6	6
SGrowth: Social growth	In the preceding two years (2015-2016), the organization has significantly:	.9254386	.786514	0	2
	- Increased the number of beneficiaries of the same type.				
	- Served new types of beneficiaries.				
Control Variables					
Nfounders	- Number of founders	2.480263	1.842014	1	7
Age	- Number of years since the firm was founded	17.96491	13.115	0	165
FamWealthLevel: Founders' family wealth	- Describe the economic conditions of your family (high, average, low or needing support)	4.767544	3.621474	0	17
SupportParent	- One if the organization has received any in-kind support from a parent company	.0723684	.2593815	0	1
SupportPublic	- One if the organization has received any in-kind support from a public entity	.1644737	.371112	0	1

Table 2 shows the correlations of dependent and independent variables, and controls. Table 3 shows regression results in support of Hypotheses 1 and 2. Table 4 shows regression results in support of Hypotheses 1a, 1b, 2a and 2b.

Table 2 shows coefficients of heterogeneity of specific and general human capital, heterogeneity level of both, and the hybridity level and social growth. A positive and significant correlation between heterogeneity of self-employment experience and both hybridity level and social growth also exists in the data. Another positive and significant correlation is observed between the total heterogeneity level and both hybridity level and social growth.

Table 3 indicates that there is no significant statistical evidence that heterogeneity level of both education and experience (HetLevel) is associated with a greater hybridity level, as predicted by Hypothesis 1. Consistently with Hypothesis 2, heterogeneity level (HetLevel) is more likely to exhibit greater social growth ($\beta = 0.0662, p < 0.05$). In addition, according to results in Table 3, the control variable of support from the parent company appeared to have a significant relationship with hybridity level ($\beta = -1.003, p < 0.1$).

Table 4 indicates that heterogeneity measures of general and specific human capital have different impacts on hybridity level and social growth. The results indicate that there is no significant statistical evidence that heterogeneity of specific human capital (education) exhibits greater social growth, as predicted by Hypothesis 2a. However, the results indicate that heterogeneity of specific human capital (education) is more likely to exhibit a lower hybridity level ($\beta = -0.606, p < 0.1$), which contradicts Hypothesis 1a. However, we in fact observe support for Hypothesis 1b; heterogeneity of specific human capital (self-employment experience) is more likely to exhibit higher hybridity level ($\beta = 0.514, p < 0.1$). Furthermore, the results show support for Hypothesis 2b; heterogeneity of specific human capital (self-employment experience) is more likely to exhibit higher social growth ($\beta = 0.183, p < 0.05$).

Table 2. Correlations

	hybrid~l	SGrowth	HetEdu	HetExp	HetSEm~t	HetLevel	NFound~s	Age	FamWea~l	Suppor~r	Suppor~c
hybridlevel	1.0000										
SGrowth	0.0823	1.0000									
HetEdu	0.0610	0.0405	1.0000								
HetExp	0.0420	0.0724	0.1831*	1.0000							
HetSEm~t	0.1447*	0.1494*	0.3582*	0.2420*	1.0000						
HetLevel	0.1169*	0.1366*	0.6482*	0.6675*	0.7360*	1.0000					
NFounders	0.2352*	0.0748	0.5397*	0.2144*	0.3997*	0.5331*	1.0000				
Age	0.0560	-0.0488	-0.0443	-0.1520*	-0.1180*	-0.1249*	-0.0187	1.0000			
FamWealthL~l	0.2294*	0.0579	0.5234*	0.2210*	0.3818*	0.5258*	0.9482*	-0.0192	1.0000		
SupportMot~r	-0.0667	0.0373	0.0721	0.0024	0.1019*	0.0851	0.0605	0.0163	0.0858	1.0000	
SupportPub~c	0.0040	0.0572	-0.0027	-0.0013	0.0070	0.0299	-0.0644	0.0116	-0.0696	0.0131	1.0000

* Coefficient significant at 0.05 level

Table 4. Linear regressions for hybridity and social growth (part 1)

	hybridlevel	SGrowth
HetLevel	-0.0000725 (-0.00)	0.0662* (2.27)
NFounders	0.261 (1.09)	0.0678 (1.07)
Age	0.0144 (1.34)	-0.00205 (-0.73)
FamWealthL~l	0.0758 (0.62)	-0.0345 (-1.08)
SupportMot~r	-1.003+ (-1.85)	0.0921 (0.65)
SupportPub~c	0.171 (0.45)	0.111 (1.12)
_cons	-0.343 (-0.33)	0.274 (0.99)
N	456	456

t statistics in parentheses

+ p<0.10, * p<0.05

Table 3. Linear regressions for hybridity and social growth (part 2)

	hybridlevel	SGrowth
HetEdu	-0.606+ (-1.92)	-0.0491 (-0.59)
HetExp	-0.0410 (-0.21)	0.0399 (0.76)
HetSEm~t	0.514+ (1.87)	0.183* (2.51)
NFounders	0.276 (1.14)	0.0703 (1.10)
Age	0.0157 (1.46)	-0.00178 (-0.63)
FamWealthL~l	0.0863 (0.71)	-0.0301 (-0.94)
SupportMot~r	-1.048+ (-1.94)	0.0841 (0.59)
SupportPub~c	0.175 (0.47)	0.121 (1.22)
_cons	-0.156 (-0.16)	0.457+ (1.81)
N	456	456

t statistics in parentheses

+ p<0.10, * p<0.05

Discussion and implications

This research sought to examine the effects of heterogeneity of founding teams on firm-level hybridity and social growth. To this end, the process-based model of Dufays and Huybrechts (2016) has been tested. We only focused on the first input (heterogeneity) and the last expected outcome (emergence of hybrid organization) but did not study the interim process. It is expected that qualitative research would be a better approach to understanding the process. In addition, we extended the model by adding the social growth as an expected outcome of heterogeneity of firms' founding teams.

The findings underscore that SVs that are more likely to be hybrid have founding teams with less heterogeneity of education (general human capital) but higher heterogeneity of self-employment experience (specific human capital). Furthermore, heterogeneity of specific human capital (self-employment experience) increases the social growth of SVs. The findings also showed that higher heterogeneity levels of both education and experience increase the social growth of SVs.

This paper contributes to the literature on social entrepreneurship, institutional logics and human capital by understanding the influence of human capital on the emergence and performance of SVs. These results support the human capital theory and the model of hybrid collective entrepreneurship (Dufays & Huybrechts, 2016), in particular, that heterogeneity of experience (specific human capital) is key to firm success (Becker, 1964) when SVs pursue hybridity and social growth. However, we challenge the assumption that firms pursuing dual objectives need to possess founding teams characterized by heterogeneity of education. As reported by prior studies, heterogeneity of education increases the firm's hybridity (Doherty et al., 2014; Beugré, 2016; Dufays & Huybrechts, 2016). Applying this argument to the context of hybrid ventures, our results show that heterogeneity of educational background does not predict the emergence of the hybrid feature in the organization. Furthermore, our work suggests that heterogeneity of tacit knowledge gained by SVs' founders is more likely to predict hybridity and increase the social growth than is heterogeneity of explicit knowledge. In the entrepreneurship literature, research of SE has been mostly conceptual

(Arena, Bengo, Calderini, & Chiodo, 2018; Hockerts, 2015; Santos et al., 2015) or qualitative (Alberti & Varon Garrido, 2017; Fawcett & South, 2005; Napathorn, 2018). This work is, to our knowledge, one of the first known quantitative studies that conceptualize and measure social growth and hybridity. Building on the prior conceptual work in the entrepreneurship literature, we empirically measure and implement, for the first time, a heterogeneity indicator that includes both economic and social parameters.

Findings on the relationship between the heterogeneity of different forms of human capital and hybridity emergence at SVs as well as their social growth provide the basis for improved targeting of SVs, as well as policies related to education, including higher education. Our findings suggest that SVs characterized by both hybridity and social growth are more likely to be started by founders with different self-employment experiences. For educators, especially in higher education, this finding suggests that a greater emphasis on experiential learning and support of social entrepreneurial activities among students is important. The experiential learning theory “has been used in both management and entrepreneurship studies” (Kickul, Griffiths, & Bacq, 2010) and calls for building knowledge through direct experience. We observe beneficial effects of specific human capital on social entrepreneurship. This finding reinforces the case for programmes developing entrepreneurial skills among all types of students while focusing on entrepreneurial skills that are useful for reaching dual objectives. Moreover, we observe that social growth is associated with the level of heterogeneity in general. This is an important finding for social entrepreneurs, highlighting that supporting diversity may generate positive externalities, such as stimulating social value creation.

Therefore, SVs established by teams with greater heterogeneity of specific human capital enjoy superior social growth and hybridity (social value creation in addition to being financially more self-reliant) because of their unique competencies. This finding has important implications for both social entrepreneurs and policy makers. Both potential social entrepreneurs and policy makers should carefully consider that unavailability of these competencies and resources within the founding team may limit growth. Conversely, the hybridity aspect of SVs is less likely to increase with greater

heterogeneity in general human capital (education). This observation might be an indication that heterogeneity in education might create (ideological) conflict between founders, which is one of the primary highlighted challenges of hybrid organizations (Chang, Benamraoui, & Rieple, 2014; Doherty et al., 2014; Smith et al., 2012). Both potential social entrepreneurs and policy makers should carefully consider the possibility that diversity in the educational background of founders might lead to conflict and limit hybridity.

Aside from contributing to the emerging field of social entrepreneurship, our study has several limitations. Future research might repeat the study of the impact of heterogeneity in a different context to determine whether responses and therefore the results are consistent with our findings. Additionally, not all heterogeneity factors, such as the founders' age, gender, ethnicity, socio-economic status and other factors, were included in this study, which opens an avenue for future research.

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