



# Hybrid business models for peace and reconciliation

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## KEYWORDS

Hybrid organizations;  
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continuum;  
Conflict;  
Fragile states;  
Institutional voids

**Abstract** Despite growing interest in business for peace, there is little insight into how the organizations involved combine societal aims with economic ones in their business models. Literature has exemplified ‘hybrid organizations’ that seek to pursue both for-profit and non-profit activities and are specifically set up with this mission, usually in stable Western countries. However, already existing, traditional organizations that aim for mixed forms of economic and social value creation have been underexposed, and that applies even more for organizational forms that address peace in difficult settings. To help fill these gaps, this article sheds light on different degrees of hybridity of a range of organizations operating in a (post-)conflict region. It shows how 53 organizations in between the non-profit/for-profit extremes pursue different combinations of social and economic goals, maintain and develop relationships with stakeholders, and interact progressively with markets and institutions. We also present a hybridization continuum and classification scheme that is applicable beyond our specific context. While different degrees of hybridity in objectives, perspectives, and relationships exist, key dimensions are frequent interactions with stakeholders, awareness of development and reconciliation issues, and personal commitment. We identify hybridity aspects relevant to management and discuss implications for business scholars and practitioners.

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## 1. On hybrid organizing for peace

With growing attention for the role of business in peace, many challenges have emerged as to how to best combine efforts and reconcile the social and

economic objectives of the organizations involved. In recent years, publications have provided insight into multi-stakeholder partnerships in which firms and non-governmental and governmental organizations collaborate to promote peace and reconciliation and reduce conflict (Kolk & Lenfant, 2012, 2015a, 2015b). However, we know much less about how organizations that show sensitivity to the conflict context integrate such hybridity into their business models. There are quite some studies on so-called ‘hybrid organizations’ that seek to pursue

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both for-profit and non-profit activities more generally and are specifically set up with this mission (e.g., [Boyd, 2012](#); [Haigh, Walker, Bacq, & Kickul, 2015](#); [Lee & Jay, 2015](#)), but this is not the case for traditional, already existing organizations that aim for mixed forms of economic and social value creation (see [Battilana, Lee, Walker, & Dorsey, 2012](#)). Moreover, while the rise of the hybrid is placed in the context of decreasing state influence and the need for other actors to take up parts of this role, this aspect has not received much attention. Examples originate predominantly from Western countries, particularly those with legally-enabled hybrids—such as benefit corporations—and thus do not contribute to knowledge on how different organizational forms may address peace and reconciliation in highly complex situations. To help fill these gaps, our article sheds light on different degrees of hybridity of a range of organizations operating in (post-)conflict regions. Such settings, where the state has been under siege or even fully absent and other actors take up public responsibilities, most clearly expose how roles are being reshaped and boundaries have become blurred.

Our study makes several contributions in the realm of business and peace as well as the field of management more broadly. It illuminates how more than 50 organizations active in the coffee sector in a conflict-affected region in Central Africa pursue different combinations of social and economic goals, maintain and develop relationships with stakeholders, and interact progressively with markets and institutions. These dimensions of hybridity were conceptually identified by [Haigh and Hoffman \(2012\)](#), and we specified and applied them empirically to many different organizations in the broad spectrum between the two extremes of non-profit (socially oriented) on the one hand and profit (financially oriented) on the other. This research approach allowed us to present a ‘hybridization continuum,’ inspired by observations by [Battilana et al. \(2012\)](#), about a hybridization movement toward more integrated/mixed business models and the adoption of social elements by traditionally financially driven organizations, and vice versa. Examining organizations in one sector and with activities in a specific geographical region allowed us to obtain an overview of all possible categories and their characteristics. Perhaps more importantly, the difficult context, characterized by human suffering and social tensions, may exemplify a future scenario of hybridity, as it affects all organizations, including traditional, mainstream ones: We found that they had also taken on some hybrid elements in their objectives, perspectives, and relationships. In this way, their business models help to further peace

and reconciliation, which is highly relevant given the many organizations that are active in ‘fragile’ states, a term covering almost 50 countries worldwide that face serious instability and human rights violations ([Kolk & Lenfant, 2015a](#); [OECD, 2012](#)).

The structure of this article is as follows. We first explain the broader setting of the study and its setup and present the hybridization continuum (using [Table 1](#) and [Figure 1](#)). This is followed by the explanation of the three dimensions of hybridity (and the subquestions in [Table 1](#) being discussed consecutively), with illustrative quotes and examples. They shed light on business models for peace and reconciliation and may be helpful for managers in search of the best approaches for their organization while also considering the broader implications for management that we discuss. The final section, with [Table 2](#), offers conclusions and recommendations for researchers and practitioners. We point, *inter alia*, at changes that may be required in terms of specific staff capacities and concomitant training and selection processes; patience and willingness to invest in longer term relationships, also locally; and the need to carefully balance organizational and societal objectives, especially considering the (decreasing or absent) role of the state. These relate directly to theoretical contributions in the realm of business and peace as well as management and organization studies more broadly.

## 2. Hybrid organizations in their context

In the past decade, new organizational forms at the crossroads of business and non-profit sectors have emerged in a context of state withdrawal and new governance modalities, clearly exposing blurring boundaries. This phenomenon has mostly been examined within a broader corporate responsibility framework in which business helps to address societal issues such as poverty or environmental degradation, and is increasingly playing a public role. Particularly in developing countries characterized by institutional voids or gaps, the potential contribution of market actors to alleviate poverty has been studied in different literatures. Examples include bodies of work on subsistence marketplaces, bottom of the pyramid, cross-sector partnerships for sustainable development, and social entrepreneurship ([Bacq & Janssen, 2011](#); [Kolk, 2014](#); [McKague & Oliver, 2012](#); [Rivera-Santos, Rufin, & Kolk, 2012](#); [Valente & Crane, 2010](#)).

Hybrid organizations, mostly studied in the Western context, nicely fit in between partnerships, which involve collaborations between different

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