



**UNIVERSITÀ
DI TRENTO**

Dipartimento di
Economia e Management



**Scuola Superiore
Sant'Anna**
di Studi Universitari e di Perfezionamento

MAIN - Master in Innovation Management

(Laurea Magistrale)

Master Thesis

THE MANAGERIAL CHALLENGES OF SOCIAL ENTERPRISES AS HYBRID
ORGANIZATIONS: EVIDENCE FROM THE TURIN'S ECOSYSTEM

Supervisor:

Prof. ANDREA MINA

Student:

YANNICK DEZA

Academic Year 2019/2020

Index

List of tables and figures	3
Abstract	4
Introduction	4
1. The origins of social entrepreneurship	6
2. Hybrid organizations	10
2.1. The origins of hybrid organizations	10
2.2 Hybrid organizations and institutional complexity	13
3. Social enterprises as hybrid organizations	16
3.1. The challenges of social enterprises as hybrid organizations	18
3.1.1. Legitimacy	20
3.1.2. Acquisition of resources	21
3.1.3. Governance	23
3.2. Organizational factors influencing challenges	24
3.2.1. Business model	25
3.2.2. Legal forms	30
3.2.3. Ecosystem	31
4. Research context	32
4.1. Social enterprises in Italy	33
4.2. Turin's ecosystem	35
5. The empirical inquiry	38
5.1. Literature gaps and research question	38
5.2. Methodology	40
5.2.1. Data selection	42
5.2.2. Selection criteria	43
5.2.3. Data collection and analysis	46
6. Extended results	47
6.1 The quest for legal incorporation	50
6.2 Legitimate to whom? The one-sided quest for legitimacy	54
6.3 The mixed nature of financial resources acquisition	55
6.4 Which skills for which function? The "false" challenge of human capital	58
6.5 The need of hybrid governance and performance measurement	60
6.6. On the other factors influencing the challenges of hybridity	61
6.6 Results (summarized)	64
7. Conclusions	65
8. Research limits and suggestions for further research	68
Annex 1 – Proforma interview	70

Abstract

Social entrepreneurship as an area of academic research has catalysed growing interest in recent decades (Saebi, Foss, Linder, 2019). Among all, a promising stream of research focuses on the understanding of social enterprises as hybrid organisations (Santos, Pache, 2013; Battilana et al. 2014; Doherty, Haugh, Lyon, 2014). As hybrid organizations, social enterprises face unique managerial challenges due to the competing institutional logics of the social mission and economic sustainability (Al Taji, Bengo, 2019). These challenges can be grouped into: challenges of legitimacy, challenges of acquisition of resources, challenges of governance. However, the literature has not deepened the relationship between the characteristics of an enterprise and the specific challenges it may face, conceptualising social enterprises as an homogeneous black box of institutional tensions. Since social enterprises are highly heterogeneous, so is their liability to these challenges, that can depend on multiple organizational features, such as the business model (Lee, 2014), the legal form (Doherty, Haugh, Lyon, 2014) or the ecosystem in which they operate (Roundy, 2017).

Through a case study research on 10 social enterprises in the province of Turin, in Italy, this research explores the mechanisms through which organizations experience the challenges of hybridity. The results show that social enterprises experience challenges differently according to their degree of hybridity, which is a function of their legal form, type of clients and the business model. By classifying the empirical information, a typology of social enterprises emerges (pure hybrids, aspiring hybrids and social impact businesses), in which each type of social enterprise is confronted with a particular set of challenges of hybridity.