

**Essays on Organizational Hybridization: The Role and Configuration of Strategic
Human Resource Management**

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Abstract

Hybridity is a phenomenon that has increasingly shaped the organizational landscape in recent decades. This is reflected in the emergence of hybrid organizational forms that span institutional boundaries by combining different institutional and non-organizational logics as well as actor identities within an organization. This combination leads to (paradoxical) tensions due to contradictory organizational and individual goals, values, identities, and skillsets whose management is becoming a core responsibility for hybrid organizations.

The strategic human resource management (SHRM) literature suggests that aligned human resource (HR) systems and practices, as well as clearly defined HR roles, can help achieve organizational goals. However, in line with the above-mentioned hybridization of goals, values, and identities, the question is how this is manifested in hybrid organizations? So far, the SHRM and hybrid literature has missed addressing this question and has widely neglected the contribution of SHRM in the context of hybrid organizations and their multiple and conflicting goals. As such, it remains largely unknown how HR roles are configured in hybrid contexts and how SHRM is aligned to manage hybridization.

The aim of this dissertation is to address this gap by exploring the configuration of HR roles in hybrid organizations as well as the contribution of SHRM to the management of tensions stemming from hybridization.

The conceptual elaboration and the empirical data of this dissertation are based in particular on findings from nonprofit hybridization. This nonprofit context was chosen because these organizational forms are subject to particularly strong hybridization processes driven by financial shortages and changing political demands, thereby taking professionalization steps toward becoming a more market oriented enterprise, which creates various tensions. Thus, nonprofit hybridization can be regarded as an ideal research context that provides rich insights into how HR roles are configured in hybrid contexts for contributing to (nonprofit) hybridization as well as how SHRM is aligned to manage tensions of hybridization.

This dissertation consists of four individual research articles:

The first article addresses the roles of HRM in hybrid organizations through a systematic literature review. This article contributes by introducing three specific HR roles for hybrid contexts. Specifically, by outlining the research field of hybridity, this article provides insight into the configuration of HR roles and functions that contribute to the development of hybrid goals that are associated with the management of tensions.

The second article, a conceptual article, is devoted to the conceptualization of the requirements different types of nonprofit hybrids pose on the configuration of SHRM. In this article, a typology of nonprofit hybrid types is developed, which, in view of their different combinations of profit and social welfare logics, tensions, and management approaches, pose different requirements for the vertical and horizontal fit of SHRM. In this sense, this article contributes to a more holistic understanding of SHRM in hybrid organizations by highlighting how SHRM can be aligned with tension management approaches in different types of nonprofit hybrids.

The two remaining empirical articles draw on a case study conducted in a German nonprofit organization to first, provide deeper insights into how the capabilities to hybridize lead to differences in hybridity levels within the organization and second, the tensions that emerge with regard to HR role transformation when nonprofit HR practitioners are required to adopt professionalized roles.

In particular, by applying an embedded case approach the third article examines how differences in hybridization capabilities, referred as the capabilities to combine (profit and social welfare) logics lead to intraorganizational hybridization differences, generating tensions between the embedded units. By showing how and why differences in the extent of hybridization capabilities lead to different levels of hybridity within the organization, this article contributes to theory development on nonprofit hybridization.

Finally, the fourth article applies a holistic case approach and examines the tensions that arise due to hybrid requirements concerning the transformation (adaption and retention) of the HR role itself. Hereby, the article contributes to the discussion on HR role development within nonprofit hybridization and provides a better understanding of cognitive and structural-induced tensions by developing an empirically grounded model of HR role transformation. Specifically, the model illustrates role flexibility as a mechanism that creates tensions and influences the adoption and retention of new professionalized HR roles. Moreover, this article offers insights into how role flexibility can be adjusted to support the role transformation of HR professionals within nonprofit hybridization processes.

Overall, this dissertation contributes to the SHRM and hybrid literature by developing conceptual models for contemporary HR roles and fit-based tension management approaches in hybrid (nonprofit) contexts and types, as well as an empirically grounded framework that demonstrates how hybridization capabilities influence how (profit and social welfare) logics are combined, and, if these capabilities are pronounced to different degrees, leading to different levels of organizational hybridity. In addition, it provides insights into how and why tensions of HR role transformation emerge when nonprofit HR practitioners are required to adopt professionalized roles and how these tensions can be managed. As such, this dissertation contributes to both the SHRM and hybrid literature by highlighting the unique requirements the hybrid context poses on the configuration of HR roles as well the way SHRM can support the hybridization of (nonprofit) organizations and the management of tensions.

Keywords: *Strategic human resource management, nonprofit hybridization, hybridization capabilities*

Zusammenfassung

Hybridität ist ein Phänomen, welches die Organisationslandschaft in den letzten Jahrzehnten zunehmend geprägt hat. Dies spiegelt sich in der Entstehung hybrider Organisationsformen wider, die institutionelle Grenzen überschreiten, indem sie unterschiedliche institutionelle und organisationsfremde Logiken sowie Akteuridentitäten innerhalb einer Organisation kombinieren. Diese Kombination führt zu (paradoxen) Spannungen aufgrund widersprüchlicher organisationaler und individueller Ziele, Werte, Identitäten und Fähigkeiten, deren Management zu einer Kernaufgabe hybrider Organisationen wird.

Die Literatur zum Strategischen Human Resource Management (SHRM) legt nahe, dass abgestimmte Personalsysteme und -praktiken sowie klar definierte HR-Rollen zur Erreichung der Unternehmensziele beitragen können. Im Einklang mit der oben erwähnten Hybridisierung von Zielen sowie Werten und Identitäten stellt sich jedoch die Frage, wie sich dieses in hybriden Organisationen manifestiert. Bisher hat sich die SHRM- und Hybridliteratur nur geringfügig mit dieser Frage befasst und den Beitrag des SHRM im Zusammenhang mit hybriden Organisationen und ihren vielfältigen und widersprüchlichen Zielen weitgehend vernachlässigt. So bleibt weitgehend unbekannt, wie HR-Rollen in hybriden Kontexten konfiguriert werden und wie SHRM auf das Management der Hybridisierung ausgerichtet ist.

Das Ziel dieser Dissertation ist es, diese Lücke zu adressieren, indem die Konfiguration von HR-Rollen in hybriden Organisationen sowie der Beitrag des SHRM zum Management von Spannungen, die sich aus der Hybridisierung ergeben, untersucht werden.

Die konzeptionelle Ausarbeitung und die empirischen Daten dieser Dissertation beruhen insbesondere auf Erkenntnissen aus der Hybridisierung von Nonprofit-Organisationen. Dieser Nonprofit-Kontext wurde gewählt, weil diese Organisationsformen besonders starken Hybridisierungsprozessen unterliegen, die durch finanzielle Engpässe und sich verändernde politische Anforderungen getrieben werden und dabei Professionalisierungsschritte hin zu einer

stärkeren Marktorientierung vollziehen, was eine Vielzahl von Spannungen erzeugt. Daher kann die Hybridisierung von Nonprofit-Organisationen als idealer Forschungskontext angesehen werden, der reichhaltige Erkenntnisse darüber liefert, wie HR-Rollen in hybriden Kontexten konfiguriert werden, um zur (Nonprofit-)Hybridisierung beizutragen, und wie SHRM ausgerichtet ist, um Spannungen der Hybridisierung zu bewältigen.

Diese Dissertation besteht aus vier einzelnen Forschungsartikeln:

Der erste Artikel befasst sich mit der Rolle des HRM in hybriden Organisationen anhand einer systematischen Literaturübersicht. Dieser Artikel trägt zur Forschung bei, indem er drei spezifische HR-Rollen für hybride Kontexte vorstellt. Durch die Darstellung des Forschungsfeldes der Hybridität bietet dieser Artikel einen Einblick in die Konfiguration von HR-Rollen und-Funktionen, die zur Entwicklung von hybriden Zielen im Zusammenhang mit dem Management von Spannungen beitragen.

Der zweite Artikel, ein konzeptioneller Artikel, widmet sich der Konzeptualisierung der Anforderungen, die verschiedene Typen von Nonprofit-Hybriden an die Konfiguration des SHRM stellen. In diesem Artikel wird eine Typologie von Nonprofit-Hybridtypen entwickelt, die aufgrund ihrer unterschiedlichen Kombination von Gewinn- und Gemeinwohllogik, Spannungen und Managementansätzen unterschiedliche Anforderungen an die vertikale und horizontale Passung des SHRM stellen. In diesem Sinne trägt dieser Artikel zu einem ganzheitlicheren Verständnis von SHRM in hybriden Organisationen bei, indem er aufzeigt, wie SHRM mit Spannungsmanagementansätzen in verschiedenen Typen von Nonprofit-Hybriden in Einklang gebracht werden kann.

Die beiden verbleibenden empirischen Artikel stützen sich auf eine Fallstudie, die in einer deutschen Nonprofit-Organisation durchgeführt wurde, um erstens tiefere Einblicke in die Art und Weise zu gewähren, wie die Fähigkeiten zur Hybridisierung zu unterschiedlichen Hybriditätsniveaus innerhalb der Organisation führen und zweitens die Spannungen

aufzuzeigen, die im Hinblick auf die Transformation der HR-Rolle entstehen, wenn von Nonprofit-Personalfachleuten verlangt wird, dass sie professionalisierte Rollen einnehmen.

Durch die Anwendung eines eingebetteten Fallansatzes untersucht der dritte Artikel insbesondere, wie Unterschiede in den Hybridisierungsfähigkeiten, d. h. den Fähigkeiten, Gewinn- und Gemeinwohllogiken zu kombinieren, zu Unterschieden in der Hybridisierung innerhalb der Organisation führen und Spannungen zwischen den eingebetteten Einheiten erzeugen. Indem er zeigt, wie und warum Unterschiede im Umfang der Hybridisierungsfähigkeiten zu verschiedenen Ebenen der Hybridität innerhalb der Organisation führen, trägt dieser Artikel zu einem differenzierten Wissen über die Hybridisierung von Nonprofit-Organisationen bei.

Der vierte Artikel schließlich wendet einen ganzheitlichen Fallansatz an und untersucht die Spannungen, die durch die hybriden Anforderungen an die Transformation (Einnahme und Beibehaltung) der HR-Rolle selbst entstehen. Damit leistet der Artikel einen Beitrag zur Diskussion über die Entwicklung der HR-Rolle im Rahmen der Nonprofit-Hybridisierung und liefert ein besseres Verständnis der kognitiven und strukturellen Spannungen, indem er ein empirisch fundiertes Modell der HR-Rollentransformation entwickelt. Das Modell veranschaulicht insbesondere die Rollenflexibilität als einen Mechanismus, der Spannungen erzeugt und die Annahme und Beibehaltung neuer professionalisierter Personalrollen beeinflusst. Darüber hinaus gibt dieser Artikel Aufschluss darüber, wie die Rollenflexibilität angepasst werden kann, um die Rollentransformation von Personalfachleuten im Rahmen von Hybridisierungsprozessen in Non-Profit-Unternehmen zu unterstützen.

Insgesamt leistet diese Dissertation einen Beitrag zur SHRM- und Hybridliteratur, indem sie konzeptionelle Modelle für zeitgemäße HR-Rollen und Fit-basierte Spannungsmanagement-Ansätze in hybriden (Nonprofit-)Kontexten und -typen sowie einen empirisch fundierten Rahmen entwickelt, der aufzeigt, wie Hybridisierungsfähigkeiten die

Kombination von (Profit- und Gemeinwohl-)Logiken beeinflussen und, wenn diese Fähigkeiten unterschiedlich stark ausgeprägt sind, zu verschiedenen Ebenen in der organisationalen Hybridität führen. Darüber hinaus wird aufgezeigt, wie und warum es zu Spannungen bei der Transformation von Personalrollen kommt, wenn Nonprofit-Personalverantwortliche professionalisierte Rollen übernehmen müssen und wie diese Spannungen bewältigt werden können. Die Dissertation leistet somit einen Beitrag zur SHRM- und Hybridliteratur, indem sie die besonderen Anforderungen, die der Hybrid-Kontext an die Konfiguration von HR-Rollen stellt, sowie die Art und Weise, wie SHRM die Hybridisierung von (Nonprofit-) Organisationen und den Umgang mit Spannungen unterstützen kann, hervorhebt.

Stichwörter: *Strategisches Human Resource Management, Nonprofit-Hybridisierung, Hybridisierungsfähigkeiten*

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Preface

1. Motivation and Research Objectives

Environmental changes and an increasing institutional complexity defined as the encounter of “incompatible prescriptions from multiple institutional logics” (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011: 317) have created space for the development of new organizational forms, so-called hybrid organizations (Greenwood et al., 2011; Haigh, Walker, Bacq, & Kickul, 2015; Smets & Jarzabkowski, 2013). Hybrid organizations can emerge in different modes, either directly in their formation or through organizational hybridization, which can be described as the process of integrating non-sectoral logics as an adaptive response by organizations to environmental uncertainty (Doherty, Haugh, & Lyon, 2014; Minkoff, 2002). One example is the hybridization of nonprofit organizations (NPOs). NPOs are substantial for public service delivery. However, due to increasing competition from the entry of new social enterprises, these organizations increasingly face financial constraints as they have to compete for their clients and contracts as well as meet the demands for more professional and efficient services (Smith, 2010; Suykens, Maier, Meyer, & Verschuere, 2022; Suykens, Rynck, & Verschuere, 2019). This led to a shift of NPOs toward a market domain by integrating organizational structures and processes that are similar to a business enterprise (Bode, 2011). As such, nonprofit hybridization is also referred to in the literature as professionalization or becoming “business-like” (Dart, 2004; Maier, Meyer, & Steinbereithner, 2016).

Regardless of their origin, hybrid organizations span institutional boundaries (Battilana & Dorado, 2010; Brandsen & Karré, 2011; Jay, 2013) and do not represent categories of organizations that inhabit specific generic structural features and characteristics from a distinct sector (Billis, 2010). As such, these organizations do not align with the categorical logics of private, public, and nonprofit sector organizations but draw on different sectoral

paradigms, institutional logics, and value systems (Billis, 2010; Doherty et al., 2014; Dufays & Huybrechts, 2016; van den Broek, Boselie, & Paauwe, 2014).

Hence, it is not surprising that hybrid organizations contain (paradoxical) tensions, such as identity or performance-related tensions due to the confrontation of multiple demands, goals, values, and identities (Battilana & Dorado, 2010; Besharov & Smith, 2014; Smith & Lewis, 2011). The hybrid literature draws a distinction between external and internal tensions and between tensions that emerge at organizational, group, and individual levels (Battilana, Sengul, Pache, & Model, 2015; Smith, Gonin, & Besharov, 2013). These tensions, especially with regard to the hybridization of nonprofits, can lead to mission drift, i.e., the risk of losing sight of the social mission, which occurs when revenue generating activities are incorporated (Ebrahim, Battilana, & Mair, 2014). If this mission drift is excessive, it can even lead to the demise of the organization (Albert & Whetten, 1985; Ashforth & Reingen, 2014; Dart, 2004; Glynn, Hood, & Innis, 2020). Tensions can also arise at the group or individual level when values, identities, or mindsets are contradictory to inter- and intragroup conflicts (Besharov & Smith, 2014; Glynn, 2000).

Research has concluded that institutional complexity is not a temporary but a persistent phenomenon (Greenwood et al., 2011; Kraatz & Block, 2008). Hence, it can be assumed that hybridity and organizational hybridization will be one of the driving organizational characteristics in the future (Doherty et al., 2014; Smith & Besharov, 2019). As such, the way hybridity and the resulting tensions can be managed to support the hybridization of organizations have been receiving a considerable research interest during the recent years (Battilana, Besharov, & Mitzinneck, 2017; Pache & Santos, 2010; Smith et al., 2013).

In this regard, research suggests that new demands are placed on the role of human resource management (HRM) due to (hybrid) organizational goals and accompanying (paradoxical) tensions (Battilana et al., 2017; Battilana & Dorado, 2010; Hsieh, Weng, & Lin, 2018). For example, existing human resource (HR) roles (Ulrich, 1997; Ulrich & Dulebohn,

2015) are superseded due to requirements from stakeholders for more sustainability (Ehnert, Harry, & Zink, 2014; Wright, Nyberg, & Ployhart, 2018). However, how HR roles are configured, or what functions HR roles should feature in hybrid contexts, has not yet been investigated.

In addition, there is a lack of knowledge about how HR practitioners adopt new (hybrid) roles and what challenges or tensions arise in the process (Sheehan, Cieri, Greenwood, & van Buren, 2014). Especially in the context of nonprofit hybridization, the roles of HR professionals have been subject to transformation. This is because NPOs seek to professionalize and thus focus on strategic issues relieving HR functions from routine administrative tasks (Francis & Keegan, 2006). Here, it can be assumed that adopting "professionalized" HR roles by abandoning well-known (social) value structures is particularly challenging for HR practitioners. However, research to date has provided little insight into the tensions that arise during HR role transformation within nonprofit organizations and how these tensions can be addressed.

Second, it remains largely unknown how HR systems and practices should be configured in hybrid contexts to address (paradoxical) tensions such as tensions from different identities and values (Smith et al., 2013; Smith & Lewis, 2011) and to support organizational identification (Besharov, 2014; Hsieh et al., 2018). Again, especially the nonprofit hybridization context places new demands on the contribution of SHRM since here strong value changes toward professionalization emerge through the combination of profit and social welfare logics setting also implications for the configuration of human resource (HR) systems and practices (Akingbola, 2013; Baluch & Ridder, 2020; Guo, Brown, Ashcraft, Yoshioka, & Dong, 2011; Ridder, Piening, & Baluch, 2012). In this regard, hybridity gives implications for SHRM regarding the strategic fit (Boon, Boselie, Paauwe, & Den Hartog, 2007; Wright & McMahan, 1992), since it is not a question of adapting to one particular logic, but of taking into account multiple logics (Besharov & Mitzinneck, 2020; Kellner, Townsend, & Wilkinson, 2017).

However, although current approaches to the fit perspective of SHRM offer an attempt to provide appropriate alignment perspectives for tension management approaches (Kehoe, 2021; Morris, Kehoe, Chadwick, Snell, Wright, & Essman, 2019), these conceptualizations have hardly found their way into the hybrid literature. As such, conceptual elaborations are missed that introduce SHRM fit perspectives for managing of social-business tensions and for the contribution toward organizational hybridization.

Taken together, although, there are some promising approaches to examining the influences of hybridity in the configuration of HR roles as well as the contribution of SHRM to the management of hybridity, there is still a lack of theoretical concepts and empirical studies that provide a holistic approach linking the two fields of research. Hence, the aim of this dissertation is to address the aforementioned research gaps by the following research questions:

- How are HR roles configured in hybrid organizations?
- How does SHRM contribute to the management of tensions in hybrid nonprofit organizations?
- How and why do differences in nonprofit hybridization occur?
- How and why do tensions of HR role transformation emerge within nonprofit hybridization?

Specifically, this dissertation refers to the hybridization of nonprofit organizations (NPOs) (Dart, 2004; Maier et al., 2016). Hereby, existing research on nonprofit hybridization has focused on the combination of institutional logics (Friedland & Alford, 1991; Thornton & Ocasio, 2008) such as commercial and social welfare logics, i.e the integration of profit logics into existing social welfare logics (Battilana et al., 2017; Besharov & Mitzineck, 2013; Litrico & Besharov, 2019; Pache & Santos, 2013a). This research context was chosen, as especially the hybridization of NPOs entails the development of (paradoxical) tensions, such as contradictory values and identities that can lead to mission drift and threaten their sustainable existence (Dart, 2004; Doherty et al., 2014; Mair, Mayer, & Lutz, 2015; Powell, Gillett, &

Doherty, 2019; Sandberg & Robichau, 2022). As such, they provide a revealing context for investigating how SHRM can contribute to the management of hybridization. Moreover, NPOs are an important pillar of society, which are more essential than ever regarding the fulfillment of social services (Markström & Karlsson, 2013), as such it is essential to investigate how the hybridization of NPOs, respectively tensions of hybridization can be managed.

To address the research questions systematically, this doctoral thesis consists of four individual research articles, whose theoretical foundations and methodological approaches are described in the following paragraphs. The articles address both the context of (nonprofit) hybridization as well as HR specific topics to provide further insights about the needed combination of insights from the hybrid literature and the SHRM field.

2. Description of Research Articles – Theoretical Foundation, Methodological

Approach, and Findings

Article 1 draws on data obtained through a *systematic literature review* of hybrid organizations, which provides novel insights into the configuration of HR roles and functions that contribute to the development of sustainability goals and associated management of paradoxical tensions (Smith et al., 2013; Smith & Lewis, 2011).

Due to significant changes in the environment, such as sustainability demands, hybridization of organizations is becoming increasingly prevalent. Embracing several institutional logics (Dufays & Huybrechts, 2016; van den Broek et al., 2014), hybrid organizations offer compelling information on an area that is confronted with multiple goals and demands, resulting in the emergence of (paradoxical) tensions whose management is a core responsibility (Battilana & Dorado, 2010). Understanding how HR roles can be configured from a hybrid perspective can help improve theoretical approaches on managing tensions (Aust, Matthews, & Muller-Camen, 2020; Keegan, Brandl, & Aust, 2019; Ulrich & Dulebohn, 2015). However, the HRM literature has neglected this opportunity so far.

The first article addresses this gap by introducing three HR roles for hybrid contexts through a systematic literature review. The systematic literature method was applied as it can provide researchers with a comprehensive overview of current empirical findings and synthesizing of the extant literature (Denyer & Tranfield, 2009). Hereby, current frameworks that address sustainable HRM and paradox perspective approaches were compared to identify commonalities of SHRM concepts (Aust, Brandl, Keegan, & Lensges, 2017; Beer, Boselie, & Brewster, 2015; Farndale & Paauwe, 2018). These commonalities were established as a classification system for the subsequent analysis of the selected literature base, hereby differentiating into the key components of determinants, content, and outcomes. Based on these key components, three contemporary HR roles in hybrid organizations, the *hybrid strategist*, the *capability adapter*, and the *identification generator*, were identified.

The function of the hybrid strategist is, on the one hand, a political orientation function. This involves adopting an outside-in perspective to identify important contextual factors as well as supporting their transformation into organizational strategy (Aust et al., 2020). In addition, the hybrid strategist includes an advisory and support function. These assists with strategic management decisions and supports the implementation of strategic decisions as well as a transfer to personnel strategy. The capability adapter includes an evolution and revolution function. These functions relate to building and implementing HRM systems and practices in hybrid contexts that deal on addressing tensions that emerge as a result of hybridity. Moreover, these functions include the creation and development of (hybrid) competencies. The role of the identification generator includes the development of a (hybrid) organizational identity and the support for sustainable hybridization. This is achieved through a signaling and involvement function aimed at attracting and engaging potential employees who exhibit indifferent preferences (e.g., no concrete social or profit orientation), facilitating socialization into the hybrid context while also addressing tensions such as identity and belonging tensions (Battilana & Dorado, 2010; Smith et al., 2013).

Article 2, is a *conceptual article*, that draws on the concept of vertical and horizontal fit (Baird & Meshoulam, 1988; Schuler & Jackson, 1987; Wright & McMahan, 1992) to gain insights into how organizations can orientate their HR systems and practices to manage competing demands stemming from hybridization (Battilana & Dorado, 2010; Doherty et al., 2014). Emphasizing strategies such as integration or aggregation (Pratt & Foreman, 2000), blending (Skelcher & Smith, 2015), and selective coupling (Pache & Santos, 2013b), the hybrid literature has provided valuable insights into the management of social-business tensions (Battilana et al., 2017; Battilana & Lee, 2014; Mon, Gabaldón, & Nuñez, 2021; Smith et al., 2013). However, despite the foundational concept in SHRM about the “fit” of the use of human resources to the achievement of organizational goals as a response to increasing organizational complexity, little attention has been devoted to the role of SHRM and its contribution to the management of tensions (Smith & Besharov, 2019).

Addressing the context of nonprofit hybridization as the basis for conceptualizing SHRM fit, this article offers an approach that is more focused on the challenges of contemporary organizations (Snell & Morris, 2021). For this purpose, a *typology* was developed, distinguishing different types of nonprofit hybrids; *integrated organization*, *pro-business organization*, *pro-social organization*, and *ambiguous organization*, according to their social and financial orientation and identifying differences in these types in terms of their tensions and resulting strategic management approaches (Doty & Glick, 1994). A typology approach was applied as this method is a useful tool for “categorizing specific theoretical features or dimensions into distinct theoretical profiles or types that offer a set of theoretical coordinates for empirical research.” (Cornelissen, 2017: 6). Subsequently, based on the concept of SHRM fit, a framework was developed and propositions derived on how the management approaches of the different types lead to a different vertical and horizontal fit in SHRM that takes into account social-business tensions (Cornelissen, 2017).

Considering the different tension management approaches, this article proposes that the *vertical fit* of SHRM in the integrated organization is characterized by an integrated management approach focusing on the structural integration of different stakeholders and values to manage tensions between society and business. Differentiated management approaches for managing social-business tensions can either consist of a vertical fit of HRM through differentiated HR systems that reintroduce social values to counteract excessive profit drift (pro-business organization), or through differentiated HR systems that introduce business-like logics to enable hybridization (pro-social organization). Tension management approaches that consider a combination of integration and differentiation approaches in ambiguous organizations, display a vertical fit through differentiated and integrated HR systems that clearly combine social and business-like logics.

Moreover, considering the different tension management approaches, this article proposes that the *horizontal fit* of SHRM in hybrid NPOs with an integrated management approach, orientate HR bundles toward the calibration of dual goal HR practices in order to manage social-business tensions. Differentiated management approaches for managing social-business tensions can either consist of a re-orientation of HR bundles toward pro-social identity work (pro-business organization) or developing business-related structures and adaptive skills (pro-social organization). Lastly, tension management approaches that consider a combination of integration and differentiation approaches in ambiguous organizations, display horizontal alignment through a re-orientation of HR bundles toward developing both management and leadership skills in order to manage social-business tensions.

The articles 3 and 4 draw on the findings of a case-study conducted in a German nonprofit organization, labeled as AidCorp.

AidCorp, can be counted as one of the top social welfare associations in the German nonprofit sector. AidCorps social mission is to represent, inform and advise more than 870 member organizations in socio-political questions. Additionally, AidCorp considers itself a

social service provider, offering its own services in areas such as care, integration and inclusion assistance, as well as advice for various life situations and support in social centers. AidCorp consists of 41 district associations as providers of its own social services and counseling. In total, AidCorp has approximately 3,400 employees, with senior and middle management consisting of about 50 people. Although Aidcorp has an overarching social mission, its business units contain different areas of responsibility and are represented by different board members. While the focus of business unit 1 is to provide support and advisory services to the member organizations, business unit 2 contains the internal departments and specialist areas. Business unit 3, the district associations act as both as a focal point for member organization advisory and as a provider of their own services in the regions. This case can be regarded as an ideal research context for how different types of nonprofit hybrids emerge as well as to examine how the role of HR practitioners is changing as AidCorp is engaged in a comprehensive process of hybridization, i.e., professionalization, which consists, for example, of reorganizing management levels, reshaping management positions, consolidating inefficient business areas, and also qualifying employees.

This particular structure was considered while choosing the research design of the case study to provide in-depth insights into complex phenomena (Eisenhardt, 1989; Yin, 2014), such as differences in (nonprofit) hybridization (Battilana & Lee, 2014; Litrico & Besharov, 2019) or the tensions that emerge during HR role transformation (Sheehan et al., 2014). As such, Article 3 is based methodologically on an *embedded single case* and Article 4 is based on a *holistic single case* design. The two research designs were chosen to maximize methodological consistency between the state of the art and the research questions to ensure the quality of the research (Edmondson & Mcmanus, 2007; Ridder, 2017). In both studies, a multi-method design was adopted for data collection consisting of documents, 35 semi-structured interviews, and seven non-participant observations (Eisenhardt, 1989). To increase the reliability of the findings, inaccurate data and information bias were reduced by triangulating within and

between the different data sources (Marshall & Rossman, 2011). By triangulating multiple data sources and including multiple informants across different organizational levels, a rich mix of different data sources could be obtained (Yin, 2014).

Article 3 deepens research of the hybridization of nonprofit organizations and examines how and why different types of nonprofit hybrids, characterized by different combinations of social and business-like logics emerge. Although studies acknowledged the importance of organizational capabilities for the (re)combination of logics (Svensson, Andersson, & Faulk, 2020), little attention has been devoted to this relationship in the nonprofit and hybrid literature. However, investigating this relationship could be essential for understanding and explaining how and why hybridization differences in nonprofit organizations occur.

Article 3 addresses this research gap by applying insights from a dynamic capabilities perspective across the three dimensions of *sensing*, *seizing*, and *reconfiguration* (Teece, 2007). This perspective offers insight into how organizations can change their existing resources, structures, and routines, what capabilities are required to do so, and how new resources, structures, and routines can be configured to generate competitive advantage (Matysiak, Rugman, & Bausch, 2018; Schilke, Hu, & Helfat, 2018; Teece, 2007). To enable the comparison of the dynamic capabilities existing in the embedded units within the nonprofit organization and how they influence logic combination ensuring replication logic and external validity, an inductive single case study design with embedded units of analysis has been adopted (Gehman, Glaser, Eisenhardt, Gioia, Langley, & Corley, 2018; Yin, 2018). The findings show that logic combination is influenced by the capabilities to explore, to assess and to align new forms of logic combination, referred to as *hybridization capabilities*. The findings further demonstrate the emergence of *intraorganizational hybridization differences* between the embedded units due to variations in their hybridization capabilities leading to tensions between

the units. The findings show, that in particular seizing related capabilities, such as value assessment capabilities, influence how logics are combined.

Finally, **Article 4** investigates the role transformation of HR practitioners during the hybridization of AidCorp, the tensions that emerge within this transformation, as well as how these tensions can be addressed. In recent years, changes in the organizational environment, such as the increasing demand for sustainability and the hybridization of organizations, have changed the demands on SHRM and in particular on the role of HR practitioners in terms of their contribution to the achievement of organizational goals (Francis & Keegan, 2006; Ulrich, 1997). In this context, research shows that especially identity-related problems arise from role change as existing values are altered (Smith et al., 2013; Smith & Lewis, 2011). Although tensions have become a major part of current research in the HR literature (Aust et al., 2020; Keegan et al., 2019), research on tensions of HR role transformation remains scarce (Sheehan et al., 2014).

The purpose of Article 4 is to address this gap by investigating how and why tensions arise in HR role transformation, how and why they affect HR practitioners' role adoption and role retention, and how these tensions can be addressed.

The findings suggest that tensions of role transformation arise due to cognitive and structural flexibility, subsumed under the construct of *role flexibility*, a mechanism that influences the adoption and retention of new HR roles. The findings show that these tensions emerged due to the low cognitive flexibility of HR practitioners with high structural flexibility in the organization. Moreover, the findings reveal that low cognitive flexibility induces tensions of HR role transformation, due to strong emotional involvement and departure from familiar structures and routines. In addition to low cognitive flexibility, the data analysis revealed that high structural flexibility induces tensions, which arose due to lack of strategic orientation and a distinct vision of the new HR role.

In this context, Article 4 suggests that *differentiation approaches* and *orientation resources* are important for the adaptation of role flexibility within HR role transformation in nonprofit organizations. In contrast to existing findings concerning the management of tensions, the findings from this article suggest that a differentiation strategy can be valuable in addressing tensions of role transformation when the (social) value orientation of the old and new HR role differ substantially. Accordingly, this article suggests that the success of tension management strategies is likely to depend on the divergence of the old and new value orientations within the HR role.

3. Conclusion and Contribution

Environmental changes and an increasing institutional complexity have created space for the development of hybrid organizations and the hybridization of organizations that span institutional boundaries, thus placing new demands on the configuration and the role of SHRM regarding its contribution to (hybrid) organizational goals and the management of (paradoxical) tensions (Battilana et al., 2017; Battilana & Dorado, 2010). However, how HR roles are configured, or what functions HR roles should inhabit for hybrid contexts, has not yet been investigated. Moreover, hybridity gives implications for SHRM regarding the strategic fit (Boon et al., 2007; Wright & McMahan, 1992), as hybridity requires taking into account multiple logics (Besharov & Mitzineck, 2020; Besharov & Smith, 2014; Kellner et al., 2017).

This doctoral thesis aims to address these gaps by engaging with a holistic lens of hybridity and hybridization setting implications for the configuration of SHRM and the development of HR roles that contribute to organizational hybridization. Specifically, this thesis addresses these gaps in the following:

1. conducting a systematic literature review of the impact of hybridity on the configuration of HR roles (Article 1)
2. developing a typology of different nonprofit hybrid types, tensions and management approaches and providing propositions of the vertical and horizontal fit of HR

systems and practices to manage social-business tensions depending on the nonprofit hybrid type (Article 2)

3. providing a capability-based framework that illustrates the influence of hybridization capabilities on the combinations of profit and social welfare logics and thus the emergence of intraorganizational hybridization differences (Article 3)
4. and finally developing an empirically grounded model that shows the mechanism of role flexibility that is responsible for the emergence of tensions of HR role transformation (Article 4)

Taken together, each article makes several unique contributions to the hybrid and SHRM literature.

First, the systematic literature review conducted in **Article 1** contributes to paradox-theoretical approaches in the HRM literature and the current discussion on (paradoxical) tensions in introducing three HR roles that provide detailed insights what HR functions are required to contribute to the management of tensions in hybrid organizations. By ensuring that the services HR management provides inside the organization match expectations outside the organization, the proposed roles (hybrid strategist, capability adapter, and identification generator) provide the foundation for future HR roles. Moreover, the HR roles inherit a configuration able to adapt paradoxical thinking to handle tensions simultaneously (Keegan et al., 2019; Podgorodnichenko, Edgar, & McAndrew, 2020; Putnam, Fairhurst, & Banghart, 2016). Taken together, the proposed HR roles provide a further step to enhance existing HR roles for hybrid contexts (Ulrich, 1997; Ulrich & Dulebohn, 2015).

By combining an SHRM approach with hybridity research, **Article 2** extends the current debates on hybridization and SHRM approaches in NPOs (Baluch & Ridder, 2020; Dorado, Chen, Prado, & Simon, 2021; Litrico & Besharov, 2019; Ramus & Vaccaro, 2017) and contributes to a better theoretical understanding of the implications of tension management approaches in different types of nonprofit hybrid organizations (Battilana et al., 2017; Litrico

& Besharov, 2019). It provides a conceptualization of vertical and horizontal fit in contexts where organizations pursue multiple goals (Baluch & Ridder, 2020; Defourny & Nyssens, 2017; Ridder & McCandless, 2010). Doing so, Article 2 offers a novel framework and a set of propositions that conceptualizes how the tension management approaches lead to distinct configurations of vertical and horizontal fit of HR systems, thereby informing research on SHRM in hybridized NPOs. Moreover, this article contributes by enriching our understanding of how SHRM addresses social-business tensions in hybrid organizations (Beer et al., 2015; Guest & Woodrow, 2012) and provides a thorough conceptualization of configurations that are useful for the understanding of variance in HRM-related management of social-business tensions.

Article 3 contributes to our understanding of the emergence of variation in nonprofit hybridization (Litrico & Besharov, 2019) by showing that (high) hybridization capabilities are necessary to perform the (re)combination of logics. Moreover, this article offers possible approaches for SHRM by demonstrating that tensions of hybridization can be managed before their actual emergence if hybridization differences are balanced and addressed by developing hybridization capabilities. In this context, this article also provides empirical evidence regarding the role of the capability adapter, introduced in the first research article of this dissertation. The main contribution of this study is the development of a capability-based framework that highlights the complex interrelationships between hybridization capabilities and their influence on logic combination, thereby explaining how and why intraorganizational hybridization differences occur. The framework suggests that logic combination is influenced by a form of dynamic capabilities (Tece, 2007; Teece, Pisano, & Shuen, 1997) referred to as hybridization capabilities. These hybridization capabilities are necessary to hybridize, i.e., to change existing logic combinations.

Moreover, this article highlights that seizing related capabilities can explain differences in the combination of logics, i.e., intraorganizational hybridization differences, as

here the perception develops related to the incompatibility or synergy of the logics combined. If an incompatibility perception is developed, this leads to an unbalanced combination of logics where either the maintenance of a social welfare orientation is processed (social type), or a profit orientation whereby the recombination of logics consists of an overemphasis on profit logics (profit type). In contrast, if a synergy perception is developed, this leads to a “balanced” combination of logics as profit and social welfare logics were combined equally (integrated type).

Finally, **Article 4** offers two significant theoretical contributions to the current discussion on HR role development (Aust et al., 2020; Ulrich, Younger, Brockbank, & Ulrich, 2013). First, by developing an empirically grounded model of HR role transformation that illustrates role flexibility as a mechanism that creates tensions and influences the adoption and retention of new HR roles. Second, this research contributes to paradox-theoretical assumptions by providing insights into the management or adjustment of role flexibility by illustrating how AidCorp uses differentiation approaches and orientation resources to support the role transformation of its HR professionals (Keegan et al., 2019; Putnam et al., 2016).

4. Future Research on Approaches for SHRM in Hybrid Organizations

These articles provide several implications for future research

Advancement of research on HR roles in hybrid contexts:

The proposed HR roles introduced in Article 1 provide a further step to enhance existing HR roles for hybrid contexts (Ulrich, 1997; Ulrich & Dulebohn, 2015). However, these roles and their possible interrelationships are required to be specified by further (empirical) research. Moreover, it is important to clarify which structural requirements are necessary to support their implementation and application within hybrid organizations. In this regard, future research can investigate whether certain HR roles are of greater relevance in different hybridization contexts or even in hybridization types (see Article 2). Moreover, future research

should empirically investigate whether and to what extent the introduced HR roles are mutually reinforcing in terms of managing tensions and contributing to sustainability demands.

Additionally, concerning the tensions of role transformation (see Article 4) further research should consider the specific setting of the study as not all organizational forms are likely to have the same conditions or the same (value-laden) role comprehension, which could alter the manifestation of role flexibility regarding the tensions of cognitive and structural flexibility. Therefore, further studies should consider different contexts, such as business-related context to better conceptualize the mechanism of role flexibility and its manifestation, as well as to draw conclusions about specific flexibility adjustments. Additionally, future research could examine how additional management approaches can address role flexibility and compare them with the existing findings from this dissertation.

Advancement of research on SHRM and hybrid goal alignment within hybrid types:

HR research indicates that SHRM fit is essential for organizations to fulfill their goals. However, especially in hybrid contexts where there are multiple goals, it can be challenging to establish this strategic fit. Regarding the strategic fit based on the conceptualization of Article 2, future research should determine to specify these nonprofit hybrid types. Especially the type of the ambiguous organization requires further research on its relationships on how to address tensions through SHRM. Moreover, further research is needed to provide additional insights into the conceptualization of the proposed HR bundles within the ideal types (Battilana & Dorado, 2010), especially where the design of HR systems does not permit a combination of coherent HR practices for both financial and social logics, but should accommodate for variation and complexity (Snell & Morris, 2021).

Advancement of research on SHRM contribution within hybridization processes:

Hybridization processes of organizations due to organizational complexity will continue to shape the organizational landscape in the future (Besharov & Mitzinnneck, 2020; Greenwood et al., 2011). Accordingly, future research should address what the further

contribution of SHRM could consist of. Further empirical studies are required to specify the influence of the hybridization capabilities on logic combination as well as the emergence of intraorganizational hybridization differences. For example, research should be carried out on how the intensity of the individual capability components affects the emergence of intraorganizational hybridization differences. In this context, additional research is needed, especially concerning the final application of the logic combination, to provide detailed information about possible hybridization differences and resulting tensions. Furthermore, the findings indicate that low hybridization capabilities, especially when seizing-related, can lead to an overemphasis on profit logics. This suggests that hybridization capabilities require certain limits or guardrails to prevent a mission drift from occurring (Smith & Besharov, 2019). Future research should address this issue and investigate what these guardrails might consist of.

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Paper 1

New Avenues for HRM Roles:

A Systematic Literature Review on HRM in Hybrid Organizations

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New Avenues for HRM Roles:

A Systematic Literature Review on HRM in Hybrid Organizations

Abstract

In recent decades, the emergence of hybrid organizational forms has placed new demands on the role of human resource management (HRM) contributing to organizational goals. Research emphasizes that the increasing hybridization of stakeholder demands and organizational goals creates tensions that can even lead to organizational breakdown if not handled properly. However, although organization and management scholars recognize the importance of elaborating HRM roles for hybrid contexts, drawing upon findings from the hybrid literature has been widely neglected. Thus, by outlining the research field of hybridity, this article provides insight into the configuration of organizational HRM roles and functions that contribute to the development of hybrid goals and are associated to the management of tensions. Significantly, this article introduces three specific HRM roles—*hybrid strategist*, *capability adapter*, and *identification generator*— as essential HRM roles for hybrid contexts.

Keywords: *Human resource management, HRM role, hybrid organizations, tensions, systematic review*

Introduction

Strategic Human Resource Management (SHRM) has become established “as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals” (Wright & McMahan, 1992: 298). As such, human resource (HR) competencies have been highlighted and human resource management (HRM) roles have been developed that affect personal effectiveness and business results (Ulrich, Brockbank, Younger, & Ulrich, 2012). However, the demand from stakeholders for more sustainability, is just one environmental change that has occurred in recent years, which sets new requirements for the role of HRM as only adding value when contributing to the achievement of economic related performance goals (Ehnert, Harry, & Zink, 2014; Wright, Nyberg, & Ployhart, 2018). Although, the organization and management literature has recognized the sustainability development and organizational changes with regard to the development of HRM and its role (Aust, Matthews, & Muller-Camen, 2020; Gerpott, 2015; Ulrich & Dulebohn, 2015), the majority of HRM roles still focus on a profit orientation. As such, existing HRM roles are too focused on SHRM to meet sustainability requirements and contribute to sustainability goals. Moreover, the opening of SHRM research in terms of sustainability has further intensified the debate on (paradoxical) tensions within HRM (Aust et al., 2020; Ehnert, 2014; Keegan, Brandl, & Aust, 2019), setting additional requirements in configuring contemporary HRM roles.

Sparked by the call for greater sustainability, the organizational landscape has changed, fostering the emergence of new hybrid forms. Hybrid organizations embrace several institutional logics (Dufays & Huybrechts, 2016; van den Broek, Boselie, & Paauwe, 2014), span institutional boundaries (Battilana & Dorado, 2010), and design their business models based on the remedies of particular social or environmental issues (Haigh, Walker, Bacq, & Kickul, 2015). Consequently, hybrid organizations offer compelling information on an area confronted with multiple demands and goals, where the emergence of (paradoxical) tensions is the daily norm and their management is a core responsibility (Battilana & Dorado, 2010).

Hence, examining hybridity may help understand the configuration of HRM roles from a hybrid perspective, enhancing paradox theoretical approaches to handle tensions (Aust et al., 2020; Keegan et al., 2019; Ulrich & Dulebohn, 2015). Although hybrid organizations provide an ideal space to specify HRM roles, these have been neglected so far by HRM scholars (Doherty, Haugh, & Lyon, 2014; Newman, Mayson, Teicher, & Barrett, 2015). This poses problems for HR practitioners, as they must remain capable of contributing to strategic goals in an increasing hybrid environment. Therefore, approaching HRM from a hybrid perspective is essential both for the theoretical development of HRM roles and for the guidance of HR practitioners to navigate hybridity. Thus, to address this gap and provide an avenue for HRM roles in hybrid contexts, the following research question is posed: *How are HRM roles configured in hybrid organizations?*

As research on HRM in hybrid organizations remains scarce and fragmented, this study addresses this question by providing a comprehensive systematic review of recent studies of HRM in hybrid organizations published between 1999 and 2020. This article applies a systematic review approach consisting of five-steps and a structured content analysis for 40 peer-reviewed articles (Denyer & Tranfield, 2009). To elaborate the configuration of HRM roles in hybrid organizations current frameworks of sustainable HRM, along with frameworks that address paradox perspective approaches, were compared to identify categories of HRM concepts (Aust, Brandl, Keegan, & Lensges, 2017; Beer, Boselie, & Brewster, 2015; Farndale & Paauwe, 2018). First, these categories (*determinants, content, and outcomes*) were established as a classification system in the subsequent analysis of the findings of the literature selection. Second, HRM functions are delineated from the review findings that focus on these categories leading to the configuration of three contemporary HRM roles for hybrid organizations: *hybrid strategist, capability adapter, identification generator*.

This article contributes in theoretical and practical terms. Based on a detailed literature analysis, HRM roles that provide an organizational value are proposed by ensuring that the

services that HRM offers inside the organization are aligned with outside expectations (Beer et al., 2015; Beer, Bert, Lawrence, Mills, & Walton, 1985). These roles expand the scope of HRM and its contribution to the organizational field. Furthermore, this article introduces HRM roles that can adapt paradoxical thinking using approaches from the paradox theory to handle tensions (Aust et al., 2017). In practical terms, it provides detailed information about the HRM functions required for future HRM roles to contribute to organizational sustainability and managing tensions of hybridity.

Conceptual Foundations for HRM Roles in Hybrid Organizations

To elaborate the configuration of HRM roles in hybrid organizations, theoretical and conceptual approaches of the two domains are first illustrated. The hybrid literature refers to hybrid organizations as those that combine multiple institutional forms (Jay, 2013; Lee & Battilana, 2013; Tracey, Phillips, & Jarvis, 2011), distinct institutional logics (Battilana & Dorado, 2010), and identities (Albert & Whetten, 1985; Glynn, 2000; Hsieh, Weng, & Lin, 2018). Hybrid organizations can occur in different forms (Litrico & Besharov, 2019). Accordingly, this review will also highlight the diversity of hybrid organizations, such as social enterprises, and the requirements that are imposed on the configuration of HRM roles (Battilana & Lee, 2014; Jay, 2013). To explain the influence of institutional changes on organizational forms, logics, and practices, institutional theory (Meyer & Rowan, 1977) and neo-institutional theory (Powell & DiMaggio, 1991) have paved the way for the concept of institutional logics. Institutional logics are described as the rules of the game that—once integrated into an organizational context—shape its practices and the social identities of its members (Friedland & Alford, 1991). Moreover, according to Skelcher and Smith (2015), hybridization is viewed as a process involving multiple logics and actor identities within an organization, leading to several possible organizational outcomes. Furthermore, research on institutional logics has shown that different logics may coexist over time (Reay & Hinings, 2009) or lead to tensions (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; van den Broek et al., 2014).

This plurality makes hybrid organizations an ideal field to elaborate on HRM roles and their functions in hybrid contexts, meeting multiple demands such as sustainability. This integration approach of institutional logics into the organizational context can also be identified in a broader sense in existing HRM approaches. Previous research has developed the concept of sustainable HRM to transcend the narrow SHRM focus on financial outcomes (Ehnert, 2009; Kramar, 2014; Podgorodnichenko, Edgar, & McAndrew, 2020). Consequently, HRM scholars have increasingly paid attention to HRM's role in developing sustainable HRM systems by applying an outside-in perspective that consider significant societal challenges and long-term influences, such as climate change and workforce demographics (Aust et al., 2020; Dyllick & Muff, 2016; Podgorodnichenko et al., 2020). Ulrich and Dulebohn (2015: 191) emphasize that applying an outside-in perspective “represents a seismic shift in how HR thinks and acts”. Moreover, they indicate that applying an outside-in perspective leads to future HRM roles that create value by ensuring that services that HRM offers inside the organization are aligned to outside expectations (Beer et al., 1985; Beer et al., 2015). In addition, Farndale and Paauwe (2018) point out that context needs to be integrated into theoretical developments. They emphasize that a broader context-centric analysis could specify the relationship between HRM and a broader performance orientation.

As the introduction of sustainability in a strategic context is initially seen as contradictory (e.g. comparability of short- and long-term goals), thus leading to (further) tensions within HRM, the theoretical approach of paradoxes has become particularly prominent within HRM research (Putnam, Fairhurst, & Banghart, 2016). For instance, Ehnert (2014) developed a paradox framework for sustainable HRM that illustrates the key tensions between utilizing people efficiently and preserving human capabilities. Moreover, Keegan et al. (2019) illustrate how the paradox perspective can provide insights for addressing tensions by including different responses in using a set of fictional hiring practices. To manage tensions, these

approaches imply the configuration of HRM roles that adapt paradoxical thinking to handle tensions simultaneously (Putnam et al., 2016).

To examine tensions, the hybrid literature establishes new standards. There is extensive evidence on the emergence and management of hybrid organizations, which highlights tensions as a key challenge for them. Tensions can occur in a variety of ways. In the hybrid literature, a distinction is commonly drawn between external and internal tensions and between organizational, group, and individual levels of tension (Battilana, Sengul, Pache, & Model, 2015). For example, supported by approaches of institutional and stakeholder theory, the main challenge of external tensions, such as competing stakeholder demands, are legitimation problems with regard to divergent institutional logics (Pache & Santos, 2010). Internal tensions at the organizational level arise in particular when leaders struggle to articulate a clear strategy (Tracey et al., 2011). Supported by identity theory approaches, internal tensions can lead to mission drift that impairs the ability of an organization to act effectively and jeopardizes its existence (Albert & Whetten, 1985; Ashforth & Reingen, 2014; Glynn, Hood, & Innis, 2020). At the group or individual level, tensions arise over contradictory values, identities, mindsets, or skillsets of employees (Besharov & Smith, 2014; Glynn, 2000). In terms of paradox-theoretical approaches, the hybrid literature offers several insights. Smith and Lewis (2011) propose a framework categorizing four paradoxical tensions—belonging, learning, organizing, and performing.

Concerning the tensions inherent in (sustainable) HRM systems, these findings could improve our understanding of the functions of HRM roles in developing systems and practices suited in managing paradoxical conditions and applying an outside-in perspective (Aust et al., 2020; Ulrich & Dulebohn, 2015). Finally, as hybrid organizations aim to achieve multiple goals, HRM roles that are adjusted on the basis of this context can contribute to the development of multiple (sustainability) goals. Thus, the theoretical and conceptual diversity offered by the research field of hybrid organizations is an ideal place to explore requirements for the

configuration of HRM roles. To elaborate the configuration of the HRM roles, the next section undertakes the systematic exploration of this hybrid literature.

Method and Review Agenda

Different methods for analyzing and synthesizing the extant literature can provide researchers with a comprehensive overview of the empirical findings (Denyer & Tranfield, 2009). The salient method is a systematic literature review conducted in five stages to address the research question (Denyer & Tranfield, 2009; Tranfield, Denyer, & Smart, 2003) (see Figure 1).

Insert Figure 1 about here

First, using the Web of Science, Science Direct, and Google Scholar, the bibliographic databases and journals were searched to identify appropriate high-quality HRM, general management, and nonprofit and public management journals. The temporal scope of the chosen literature was set on studies published between 1999 and 2020 arising from the demand for bridging intra-organizational and institutional levels of analysis in the late 1990s, which shifted the focus toward human resource (HR) policies and practices. Second, in addressing the research question, a keyword search of articles was conducted. Here a combination of relevant hybrid and HRM search terms, such as *hybrid*/ hybrid organization* AND tension* AND *HR, HRM, HR practice** was used. The keywords applied were derived from the research question. As research on HRM in hybrid organizations remains scarce, the application of the search term “role” was omitted in the selection of the articles. To avoid excluding essential HRM-related articles, focus was laid on the functions of HRM for deducing HRM roles. Third, to ensure that the included articles met high scientific standards, those journals that were not listed in at least one Q3 on the SCImago Journal and Country Rank were excluded.¹ Fourth, these articles were further refined based on a set of carefully defined inclusion and exclusion

criteria. For example, articles that investigate hybridity (forms, identities, and logics) in a technical or medical background were excluded. As hybridity can occur in different forms (Litrico & Besharov, 2019), this diversity was taken into account in the inclusion of the studies. As such, studies that involve a hybrid setting, such as social enterprises, and examine hybridization in terms of combining logics, identities, and forms in a profit, public, or nonprofit context were included.

Additionally, due to the small number of articles, the HR reference was expanded to include studies related to HR systems, structures, practices, and influencing factors on HR architecture resulting in a sample of 135 articles that met the inclusion criteria. In the fifth and final stage, these articles were subjected to a full-text analysis. This resulted in a further reduction of articles that did not meet the inclusion criteria and a final data set of 40 articles.

Several observations arose from the detailed examination of these studies. Before 2010, only one article could be identified that contained a reference to hybridity and HRM simultaneously. However, the research body had grown incrementally between 2010 and 2016. The highest number of publications was registered in 2015 and 2016 (n=6). Between 2017 and 2020, publications fluctuated between two and four releases. With regard of the range of journal and book publications, (see Table 1) the highest number is published in *Public Administration*. The second highest publication rate is observed in the *International Journal of Human Resource Management*.

Insert Table 1 about here

Most articles reported empirical findings (n=24) with a clear focus on qualitative data (n=16), followed by six quantitative studies and two mixed approaches. It is noticeable that the proportion of empirical studies rises with the increasing actuality of the publication. However, several conceptual articles (n=16) could be identified. The content of conceptual studies,

especially in earlier publications, addresses response strategies toward tensions (Pratt & Foreman, 2000). Another focus is the development of a business model for hybrid organizations (Santos, Pache, & Birkholz, 2015), the conceptualization of hybrid organizing (Battilana, Besharov, & Mitzinneck, 2017; Battilana & Lee, 2014), the configuration of HRM systems (Martin, Farndale, Paauwe, & Stiles, 2016; Ridder, Piening, & Baluch, 2012), and leadership (Smith, Besharov, Wessels, & Chertok, 2012). Theoretical foundations originate mainly from hybrid, HRM, and leadership literature. Significantly, regarding the hybrid literature, most studies applied institutional and stakeholder theory to explain the determinants of HRM systems and practices. Paradoxical and identity theory approaches were applied to examine the dual outcome perspective and leadership skills are required in hybrid contexts.

HRM-specific topics in the hybrid literature include retention and turnover studies. In this context, commitment, job satisfaction, and involvement have been investigated. Moreover, hiring and socialization practices could be identified as essential HR references. Theoretical foundations that were applied in this context were the leader-member exchange (LMX) theory (Graen & Uhl-Bien, 1995), the job demands–resources (JD-R model) (Bakker & Demerouti, 2007), and the signaling theory (Bowen & Ostroff, 2004). Finally, the focus on capability development in hybrid contexts is seen to be gaining increasing interest.

For the subsequent data analysis, the categories *determinants*, *content*, and *outcomes* were derived from a comparison of existing frameworks of sustainable HRM and frameworks that address tensions from a paradox perspective (Aust et al., 2017; Beer et al., 2015; Farndale & Paauwe, 2018). These categories were applied as a classification system for the structured content analysis to code, analyze, and order the findings of the selected literature base. First, the selected articles were coded with these categories. Iterating between these categories and the literature base, further codes could be identified that emerged during the analysis (see Table 2).

Insert Table 2 about here

In the second stage of analysis, the selected studies were examined in a second content analysis based on the code list. Patterns could be identified (Gioia, Corley, & Hamilton, 2013) by applying the codes and grouping topic-specific content. Finally, key themes could be aggregated by iterating between the articles and the patterns, such as “organizational strategy” and “paradoxical/hybrid manager” concerning determinants, “HRM systems” concerning the content, and “organizational and societal outcomes” for outcomes. Figure two highlights the categories and key themes and illustrates the relationships that could be observed between them (see Figure 2).

Insert Figure 2 about here

The Configuration of HRM Roles in Hybrid Organizations

By applying the key terms in evaluating the results, HRM functions could be delineated to each category that provides a base for the configuration of HRM roles: *hybrid strategist*, *capability adapter*, *identification generator* (see Figure 2).

(1) *HRM Role Configuration: Determinants*

The first part of the figure refers to the determinants (1) of HRM and its corresponding functions (support and advisory) that indicate the role of the *hybrid strategist* (A). The hybrid strategist role is a HRM role that considers paradoxical strategic goals and is required to combine external and internal perspectives.

The data analysis reveals four key themes for this role: *contextual factors* (1a), *tensions* (1b), *paradoxical/hybrid manager* (1c), and *organizational strategy* (1d). The hybrid literature emphasizes *institutional logics* and *stakeholder demands* as contextual factors. Despite the

extant SHRM literature frequently assuming a dichotomous distinction between profit and social logics, the review revealed several differentiated institutional logics that might impose different requirements on the role of SHRM in designing HRM systems. These logics stem from multiple stakeholder demands. For example, Desmarais, Dubouloz, and Bichon (2019) characterized the logics of individualization, contractualization, formalization, and politicization affecting the internal dynamics among several stakeholders like elected officials, HR professionals, and management. Their study indicated that political logics, influenced by powerful external stakeholders, shapes HRM practices and systems. Similarly, Battilana and Dorado (2010) noted that HRM decisions invoke micro-negotiations in which logics compete because they are mobilized by stakeholders in a differentiated way.

Thus, the first function that could be delineated to the hybrid strategist (A) role is the *political orientation function*. The political orientation function refers to the consideration and non-consideration of key stakeholder demands, which are either integrated into strategic decisions—for example, because of their importance—or are ignored.

The review further indicates that contextual factors, such as different institutional logics, generate tensions when logics that reflect various stakeholder demands are transferred into the organization and are combined or preferred over existing structures and practices. These conflicting demands also have implications for certain response strategies and the design of HRM systems and practices that infuse HR practitioners' roles (Keegan et al., 2019). As indicated in the conceptualization of hybrid organizations, tensions and their management play an essential role in hybrid contexts. The hybrid literature mainly distinguishes between external and internal tensions manifesting at the organizational group or individual levels. Smith, Gonin, and Besharov (2013) differentiated *belonging, performing, learning, and organizing* tensions, containing paradoxical elements. For example, *belonging* tensions emerge from divergent subgroup identities and between subgroups and the organization. *Performing* tensions emerge from divergent outcomes (e.g. metrics and stakeholders). *Learning* tensions are conflicts of

growth, scale, and change that emerge from divergent time horizons, and *organizing* tensions emerge from divergent internal dynamics, including structures, cultures, practices, and processes (Smith et al., 2013). The intensity and relevance of these tensions have implications for various response strategies that are visible in the organizational strategy (1d).

Moreover, the present research indicates that paradoxical/hybrid manager(s) can be understood as mediators between tensions (1b) and corresponding organizational strategy (1d), as well as between contextual factors (1a) and organizational strategy (1d). Similarly, the hybrid literature indicates that paradoxical managers, also referred as hybrid managers, are mediating persons looking through the “two-way window” (Llewellyn, 2001: 593). As logics are not fixed, relationships between multiple logics and their influences on organizational strategy (1d) and *HRM strategy* (2a) might be subject to the interpretation of logics, and inherent logics held by these actors. Especially within public service organizations, hybrid managers are considered important in interpreting dual logics and enacting strategic decisions (Currie & Spyridonidis, 2016; McGivern, Currie, Ferlie, Fitzgerald, & Waring, 2015). Regarding the existence of inherent logics as well as the interpretation of logics, the review results show a connection between the *social position* and the manager’s *role* regardless of the hierarchical level at which the manager is located. For example, Currie and Spyridonidis (2016) showed that, although the survival of the organization was threatened by performance and financial pressures, nurses stayed with the former professional logics to sustain their expert role and social position. The study notes that managerial logics are implemented if the social position of hybrid managers is not threatened. McGivern et al. (2015) also emphasize this aspect. Moreover, under the synonym of pluralistic managers, the studies by Besharov (2014) and Perkmann, McKelvey, and Phillips (2019) emphasize the relevance of managers—who need to be aware of different logics—in building hybrid spaces with hybridized practices. These studies show that the influence of hybrid or pluralistic managers can have a decisive impact on organizational strategy and HRM strategy.

Thus, the second function that could be delineated to the hybrid strategist role is the *advisory function*. The advisory function refers to the consideration and non-consideration of key stakeholder demands, which are either integrated into strategic decisions or are ignored. Moreover, the configuration of a hybrid strategist also contains a *support function* concerning the interpretation of different logics and the establishment of strategic responses.

Returning to organizational strategy (1d), this function can be clarified with the review results. The hybrid literature emphasizes that tensions require different strategic management approaches integrated into the organizational strategy and influencing the alignment of HRM systems and practices. Smith et al. (2013) suggest that these management strategies are based on different theoretical approaches, such as identity or paradox theory, that are relevant for understanding the tensions between social mission and business venture. Applying these theoretical lenses, the hybrid literature reveals a range of *response strategies*. For example, based on organizational identity theory, Pratt and Foreman (2000) identify four major types of structural responses: *compartmentalization*, *integration*, *aggregation*, and *deletion*. Compartmentalization occurs when the organization retains all of the current identities but cannot achieve synergy between them. Contrarily, in the case of integration, multiple identities are fused into one. Aggregation combines the former approaches by retaining all identities while forging links between them. Finally, deletion occurs when managers eliminate one or more identities due to resource constraints, a lack of stakeholder support, or synergy between the identities.

Hsieh et al. (2018) identify similar management approaches, but their *synthesis* approach emphasizes the connection of identities more than aggregation. Thus, the support and advisory function of HRM is specified by the implementation of certain response strategies and the task of linking organizational strategy (1d) with HRM strategy (2a). The results of the review show that when organizational (response) strategies are linked to HRM strategies and practices, the transfer is examined in building a bridge between the determinants and content of

SHRM in hybrid organizations. Hsieh et al. (2018) provide information on how organizational strategy (1d) influences HRM strategy (2a) by translating strategic objectives into HRM practices to foster organizational identification management. In contrast to Hsieh et al. (2018), Pache and Santos (2013) indicate that strategic decisions are not transferred to HRM strategies but remain in the organizational strategy. The institutional logics perspective shows that social enterprises *selectively couple* intact elements prescribed by competing logics. The findings indicate that organizations that originate from the commercial sector reacted more to social demands and vice versa. Pache and Santos (2013) referred to this strategy as a "Trojan horse." It consists of strategically adopting (legitimized) logics from other sectors to gain legitimacy and acceptance. This is supported by Mair, Mayer, and Lutz (2015), who divide hybrids into a conforming type that relies on prioritizing a single institutional logic, and a dissenting type that uses mechanisms such as defiance, selective coupling, and innovation to combine and balance different institutional logics. Both studies indicate that hybridization efforts remain strategic decisions in the organizational strategy (1d), while a "real" transfer into HRM strategy (2a) and further *HRM systems* (2b) or *HRM practices* (2c) is absent or is only formulated for appearance and legitimation purposes. Moreover, Alvehus (2018) shows that hybridity between conflicting logics may appear on the management level, visible in organizational strategies, whereas a single logic dominates the HRM strategy. This response strategy, referred to as *symbolic compliance*, reduces the number of logics to which the organization attends, retaining them only in principle in their organizational strategy (Fossestøl, Breit, Andreassen, & Klemsdal, 2015).

(2) *HRM Role Configuration: Content*

The second part of the figure refers to the content (2) of HRM and its corresponding functions (evolution and revolution) that indicate the HRM role of the *capability adapter* (B) (see Figure 2). The role of the capability adapter is defined as an organizational role that aims to develop organizational capabilities for hybrid contexts and foster the development of hybrid capabilities. The data analysis identified key themes such as *HRM strategy* (2a), *HRM systems*

(2b), and *HRM practices* (2c). The review indicates that hybridization tendencies in organizational strategy (1d) generate impulses that lead to changes in the HRM strategy (2a) and structure affecting the alignment of HRM systems (2b) and HRM practices (2c); however, no precise distinction is made between strategy, systems, and practices in most articles.

Concerning HRM strategy (2a), Battilana et al. (2017) emphasize strategies of integration, differentiation, and combination, which consolidate the previous organizational strategies (1d). Management approaches that integrate are designed to combine different components. In contrast, differentiating approaches are designed to keep elements separated, like in a temporal or structural separation (Greenwood et al., 2011; Kraatz & Block, 2013; Pratt & Foreman, 2000). Recent studies describe management strategies that appear to apply a combination of integration and differentiation (Battilana et al., 2017). The hybrid literature indicates that these (HRM) strategies depend on the organizational *hybridization type* that is, how organizations focus on business or social aspects more or less intensively. The typology of Santos et al. (2015) here emphasizes that distinct types of hybrid organizations influence HRM strategy (2a). A hybridization type whose organizational strategy (1d) focuses on commercial activities should apply an HRM strategy (2a) that prioritizes staff with operational business expertise. In contrast, a hybridization type that follows a strategy of integration requires organizational members that combine business as well as social expertise skills, the “hybrid” profiles.

Martin et al. (2016) provide insights on the integration of institutional logics in HRM systems (2b). They develop a new typology connecting HRM to different models of firm-level corporate governance. Martin et al. (2016) identify two types of hybrid organizations—enlightened shareholder value and employee ownership. They suggest that the first type should be managed through a hybrid system approach that is *high commitment/collaborative* and *control/calculative* oriented where democratic principles of equality and involvement are similarly reflected through structures, processes, and actor agency. They emphasize inclusive,

high-commitment HRM practices that encourage the inclusion of vulnerable, less value-adding, and scarce employees, but focus decision-making exclusively on value-adding employees. For the second type, they propose a hybrid HRM approach that includes HR practices such as employer-provided training and development, and identification with the organization's vision and purpose. Martin et al. (2016) suggest practices such as incentive-based pay for performance to build employee commitment and quantifiable elements.

Additionally, the study by Ridder et al. (2012) in nonprofit commercialization reveals findings of the configuration of HRM systems. They demonstrate that to confront the challenges they face in their internal and external environments nonprofits seek a specific configuration of HRM. Applying the four HR architecture types— administrative, motivational, strategic and values-based HRM (Ridder & McCandless, 2010)—they illustrate how these types differ in terms of integrating value, HRM's role in addressing and coping with external influences, in terms of their HR principles, and strategic and HR outcome objectives. Their findings suggest that while HRM configuration is still influenced by HR orientation, a shift toward strategically oriented HRM systems is evident. Accordingly, the authors emphasize that nonprofits configure their HR practices to take a proactive approach to manage external constraints. These practices exhibit a financial performance orientation. However, Ridder et al. (2012) critically point out that an either-or orientation of value-based as well as purely strategy-oriented HRM systems in nonprofit organizations is problematic. Instead, they point to a *third way*, in which HRM is configured in a specific combination of the two orientations (Ridder et al., 2012). This third way could be considered a hybrid alignment of HRM systems.

The results show further evidence in this context. Battilana and Lee (2014: 397) introduce the concept *hybrid organizing*, which they define as “the activities, structures, processes and meanings by which organizations make sense of and combine aspects of multiple organizational forms.” Complementing the various literatures on organizational hybridity, they argue that hybrid organizing consists of five key areas such as core organizational activities,

workforce composition, organizational design, inter-organizational relationships, and organizational culture. Regarding workforce composition, Battilana and Lee (2014) emphasize that social enterprises that are situated between the social and commercial sectors are unlikely to select employees whose skills fit a hybrid work context. However, different skills that do not fit the hybrid context can create tension. As such, the hybrid organization has to establish a way that allows individuals from different backgrounds to work together.

Roumpi, Magrinos, and Nicolopoulou (2020) examine the design of HRM systems in social enterprises. In contrast to Ridder et al. (2012), they emphasize that HRM systems should be designed differentiated considering the *ethics of care*. Furthermore, Roumpi et al. (2020) suggest that the design of HRM systems based on ethics of care has a moderating effect on the impact of diverse workforce composition on organizational outcomes, such as tenure, financial performance and social performance. This is because differentiated HRM systems capitalize on the uniqueness of the workforce, which can lead to improved organizational outcomes that in turn strengthen the role of ethics of care (Roumpi et al., 2020).

The review results demonstrate that implementing organizational strategy, with the adoption of suitable *HRM practices* (2c), is essential in successfully attaining sustainability goals. As such, HRM practices are considered to have mediating functions. The mediating effect on achieving sustainability can differ depending on how these HRM practices are implemented. For example, Gulbrandsen, Thune, Borlaug, and Hanson (2015) distinguish between *weak/symbolic*, *contested*, and *strong* HRM practices based on differences in their underlying goals and means. Weak practices contain shared goals that are theoretically formulated but lack operational status and strategic engagement (Fossestøl et al., 2015; Pache & Santos, 2013). New (hybrid) routines and practices are created from contested and especially strong practices. This study indicates that hybridity can only lead to contested and strong HRM practices (2c) if hybrid goals do not merely remain as legitimation reasons in strategic decisions.

However, a negative example of aligning HRM practices can be found in the literature. Bruneel, Moray, Stevens, and Fassin (2016) demonstrate the influence of institutional logics on HRM structure. They show that the failure of an award-winning for-profit social enterprise called Metalcon can be attributed to an overemphasis on social logics and the increasing disregard of commercial market logics. This is because the focus on social logics brought an uneven HRM mix of employees as well as an underdeveloped internal organizational structure. Hence, the influence of conflicting logics may lead to a restructuring of SHRM practices in such a way that certain organizational goals can no longer be met adequately, leading to tensions and even organizational demise. This again shows that the alignment of HRM systems (2b) and HRM practices (2c) is essential in the execution of the organizational strategy (1d) and is an essential factor in preventing or managing tensions (1b) in hybrid contexts.

The analysis of the reviewed articles shows that the strategic and structural changes of SHRM require HRM practices that address paradoxical tensions (1b) such as belonging or learning. Numerous studies have identified HRM practices (2c), such as *attraction*, *selection*, and *hiring* of employees, as crucial in addressing tensions (1b). Hsieh et al. (2018) propose an attraction-selection-socialization model and emphasize effective HRM mechanisms in each process. Concerning selection, the findings of Imperatori and Ruta (2015) suggest that primary stakeholders should become part of the organizational workforce because of their role in supporting certain logics. Hsieh et al. (2018) further indicate that selection processes of social enterprises seem to focus mainly on socially oriented criteria such as personal values, attributes, and the degree of alignment between the candidate's values and the organization. Identity integration could be achieved through hiring practices that focus on the design of a hybrid organizational identity (Hsieh et al., 2018). Moreover, Napathorn's (2018) study shows that to ensure that candidates have beliefs, attitudes, and experiences congruent with the objectives of the social enterprises alternative recruitment channels were frequently employed, such as employee referral strategies, internship programs, and recruitment from vulnerable groups.

Moreover, Santos et al. (2015) suggest that hybrids close to pure commercial models should recruit employees with operational business expertise, while organizations that inherit an integrated structure should recruit employees with a hybrid profile. They propose that these employees can be recruited as blank slates without prior experience. This allows the hybrid organization to train and develop employees to become hybrid individuals, as substantiated by other studies (Battilana & Dorado, 2010; Dufays & Huybrechts, 2016). Moreover, Winkler and Portocarrero (2018) extend the typology of Santos et al. (2015) and demonstrate that the blended hybrid should recruit employees who are evaluated based on operational and social key performance indicators.

In addition to attraction and selection, the *socialization* of individuals is a key HRM practice (2c) within hybrid organizations. Organizational socialization is “the process by which an individual comes to appreciate the values, abilities, expected behaviors, and social knowledge essential for assuming an organizational role and for participating as an organizational member” (Louis, 1980: 229–230). Ebrahim, Battilana, and Mair (2014) emphasize that the socialization of managers and board members is critical for hybrid organizations. This implies that early socialization in a hybrid position or role can support paradoxical thinking (see paradoxical/hybrid manager) (1c). Ebrahim et al. (2014) further emphasize that hybrid organizations often cannot rely on an existing pool of job candidates whose professional backgrounds are congruent with the demands of their hybrid work context. Battilana and Dorado (2010) also address this by showing that to balance the competing expectations of their institutional environment, hybrid organizations use alternative socialization and hiring strategies to strike a balance between competing logics. Additionally, Burgess and Currie (2013) highlight early career socialization as a crucial factor supporting identity transition.

Furthermore, the findings indicate that HRM practices (2c), such as *development* and *training*, are approaches for developing internal hybrid professionals (Battilana & Dorado,

2010). Several studies show that HRM development and training practices support relevant managerial skills and socialization in hybrid contexts, empowering paradoxical/hybrid managers (1c). Giacomelli, Ferré, Furlan, and Nuti (2019) show that participation in managerial training programs in healthcare can support hybrid professionals with managerial skills and competencies and enhance their involvement in top management decision-making. McGivern et al. (2015) supplement this study by categorizing incidental and willing hybrids. Incidental hybrids are professionals who only temporarily act in hybrid roles and rather represent and protect traditional institutionalized professionalism. In contrast, those who engage with managers and managerialism, disrupting traditional professionalism are referred to as willing hybrids. Thus, the training and development of managerial skills may support the socialization of hybrid professionals and managers. Furthermore, Smith et al. (2012) emphasize the development of the *competencies* of paradoxical managers (1c) to address tensions that emerge from the demands of competing logics. They emphasize competencies such as mindfully attending to distinctions between domains, embracing paradoxical thinking, or seeking synergies in decision-making. Al Taji and Bengo (2019) support this approach and show how managerial challenges such as mission drift or conflicting stakeholder demands are managed. Their results show that people working in social enterprises, such as employees or volunteers, lack the necessary competencies and knowledge about the organization, the risk of mission drift and internal conflicts increases.

Based on these findings, two functions can be derived for the *capability adapter* (B) that are referred as *evolution* and *revolution*. The first is defined as a function that involves incremental selection, socialization, and development of employees. The results show that different organizational strategies require employees with certain skills. Organizations that focus on commercial activities require staff with business expertise, or organizations that inherit an integrated structure should recruit employees with a hybrid profile (Santos et al., 2015). Furthermore, healthcare organizations that operate hybrid structures need not only employees

but also staff with managerial skills (Giacomelli et al., 2019). The *capability adapter* here intervenes to the extent such that practices implemented bring employees and managers with necessary skills into the organization, socializing, or developing them (Battilana & Dorado, 2010). Moreover, concerning the management of tensions, this review provides further indications for the role of the capability adapter. In terms of its evolutionary function, this role can ensure that tensions are reduced, as the focus is on the long-term and consistent development of skills. An overemphasis on certain logics, described in the study by Bruneel et al. (2016), could thus be avoided through careful development of capabilities.

In contrast, the findings indicate a revolution function, which is more disruptive. For example, McGivern et al. (2015) emphasize that to act in hybrid roles, managers are required to engage as willing hybrids. In this case, the capability adapter's role is to further promote these willing hybrids by developing hybrid capabilities and supporting paradoxical thinking. Moreover, early-career socialization, highlighted in the study by Burgess and Currie (2013) is crucial for supporting identity transition. Here, the role of the capability adapter is to build capabilities that support readiness to change and flexibility resulting in a more comprehensive and disruptive transition.

(3) *HRM Role Configuration: Outcomes*

The last part of the figure is summarized under the term *outcomes* (3) and its corresponding functions (signaling and involvement) that indicate the HRM role of the *identification generator* (C) (see Figure 2). The role of the identification generator is defined as an organizational role that fosters hybrid mindsets to support the achievement of hybrid goals. The data analysis identified key themes in terms of *HRM outcomes* (3a), *organizational outcomes* (3b), and *societal outcomes* (3c).

Results show that HRM outcomes, such as employee *turnover*, are significant issues for hybrid organizations. The change or hybridization of organizational strategy is highlighted as a reason for employee turnover, as a change in HRM strategy influences HRM outcomes,

such as *identification*. For example, the study of Krøtel and Villadsen (2016) points out that public sector employees are more likely to leave when their organization is exposed to higher levels of privacy when socialized in the logic of the public sector. A similar problem of hybrid organizations concerning the HRM outcome of identification is the HRM practice (2c) of *acquisition*. Ohana and Meyer (2010) provide insights. They show that individuals who desire to join nonprofit organizations are less money-oriented than those who want to enter for-profit firms. This study indicates that, although hybridization is necessary for nonprofit organizations to meet changing institutional demands, it leads to employees staying away because they cannot identify with the organization. Therefore, they do not consider joining the organization, resulting in HRM outcomes (3a), such as *workforce shortage*. However, the study by Moses and Sharma (2020) reveals different findings. Applying an institutional logics lens, they suggest that market logic and community logic HR practices affect the organization's ability to acquire and retain staff. They indicate that market-logic motivated HR practices help in recruitment, while community-logic motivated HR practices help in retention.

Interestingly, the study emphasizes that social enterprises should focus less on their social mission and more on market logics to attract talents. HR practices linked to community logic act as motivators for existing employees, as they reinforce commitment to the social mission. Furthermore, this leads to improved long-term performance (Moses & Sharma, 2020). There are similarities with the previous findings regarding the application of hybrid or differentiated HRM systems (Ridder et al., 2012). In addition, the previous findings of an outside-in perspective (Aust et al., 2020; Dyllick & Muff, 2016) can be confirmed as a focus or alignment on market logic in hybrid organizations that have a positive effect on HRM outcomes (3a), such as *retention*. Nevertheless, the implementation of hybrid systems and practices should be treated with caution, as they have a significant impact on the identification of employees (Hsieh et al., 2018).

Thus, the review results show that in terms of HRM outcomes especially in hybrid organizations, the SHRM role of an *identification generator* (C) is required (see Figure 2). Regarding the importance of identification concerning turnover and the attraction of potential employees, the role of the identification generator is implied by *involvement* and *signaling functions*. Regarding the signaling function, the SHRM literature suggests that HRM practices can be viewed as signaling and communication mechanisms that can elicit certain expected, valued, and/or rewarded behaviors (Bowen & Ostroff, 2004). The more complex and inconsistent these signals are, the less observable these behaviors will be, leading to divergent interpretations of the same practice (Röhl, 2019). Transferring this to the role of the identification generator, the signal function includes applying HRM practices such as attraction, selection, and hiring, which indicate the organizational culture and attracts like-minded employees (Albert & Whetten, 1985).

The results show that HRM outcomes, such as *commitment* and *job satisfaction*, influence turnover tendencies. Ohana and Meyer (2010) indicate that job satisfaction has a greater impact on turnover intentions than commitment. They emphasize that to enhance job satisfaction, HRM practices, such as involvement and job enrichment, might be of importance for hybrid organizations. Zhang, Zhang, Dallas, Xu, and Hu (2018) show that perceived *empowerment-oriented* HRM practices (2c) could increase employees' commitment by enhancing their identification motivation. Similarly, findings suggest that HRM practices for increased identification are important in hybrid contexts, as multiple values and identities can be an obstacle for individuals to identify with the organization and may result in belonging tension (Smith et al., 2013).

Existing research on identification emphasizes that it arises when members recognize consistency between their own and their organization's identities (Ashforth, Harrison, & Corley, 2008), that is associated with lower employee turnover (Mael & Ashforth, 1995), organizational commitment (Foreman & Whetten, 2002), information sharing, and job

satisfaction (Besharov, 2014). The high-involvement work processes that affect employee well-being shows the importance of the involvement function in the role of identification generator (C) (Boxall & Macky, 2014).

The results also show the *emotional exhaustion* of employees as a further negative HRM outcome in hybrid organizations. This outcome can be mediated by HRM outcomes, such as job satisfaction and commitment. Melnik, Petrella, and Richez-Battesti (2013) show that satisfaction at work is negatively correlated with perceptions of fatigue and pressure. In this regard, Conway, Fu, Monks, Alfes, and Bailey (2016) highlight HRM practices (2c), such as *employee voice* mechanisms, which may act as a resource both in enhancing the commitment of employees and counterbalancing the demands presented by HRM systems (2b), such as *performance management* systems, thus reducing HRM outcomes, like emotional exhaustion. Additionally, the result implies that if negative HRM outcomes of hybridization, such as turnover and emotional exhaustion, can be reduced, other HRM outcomes can be accelerated by HRM practices such as building competencies and skills. This is where the involvement function of the identification generator is important. In this context, involvement refers to the early integration and participation of employees (e.g., in HRM practices such as development and training) to avoid emotional exhaustion or the emergence of belonging tensions.

The results indicate that HRM practices, such as hiring and socialization, have an impact on organizational outcomes (3b) with regard to the organizational workforce, as employees with different social backgrounds and specific competencies were gathered inside the organization. Powell, Gillett, and Doherty (2019) indicate that a *hybrid workforce* with specific competencies and skills, are crucial for a hybrid organization's ability to simultaneously achieve organizational outcomes, such as (economic and social) *sustainability*. In the case of a public service organization, Powell et al. (2019) emphasize that a hybrid workforce is composed of employees who are qualified for the service they are delivering, not just having a social care background. Thus, HRM hiring and development practices (2c) that

foster (*hybrid*) *competencies* and skills support the composition of a hybrid workforce. This workforce further enhances organizational outcomes, such as social service quality and financial performance (Powell et al., 2019). Ren and Jackson (2020) provide detailed insights into the influences of competencies as HRM outcomes on organizational outcomes, such as sustainability. They introduce the concept of HRM institutional entrepreneurship, which defines “the actions taken by HRM professionals acting as individuals or as a group to leverage resources such as their skills, knowledge and social capital as well as the organization's HRM system in order to change organizational norms, rules, routines and values” (Ren & Jackson, 2020: 3). Their study indicates that to contribute to *sustainability outcomes*, HRM professionals need to understand and manage paradoxes (Smith & Lewis, 2011). Moreover, the results show that a common and shared *organizational identity* is an essential organizational outcome (3b), which should be supported by suitable HRM practices. Hsieh et al. (2018) suggest that to manage their hybrid organizational identities and embed a shared organizational identity into the daily work of members, social enterprises need to foster HRM outcomes of identification, and organizational outcomes, such as *sustainable hybridization* through HRM practices such as attraction, selection, and socialization.

Overall, the results show that sustainable hybridization allows hybrid organizations to exist in the long term, making a substantial societal contribution. According to the conceptual statements of Haigh et al. (2015) sustainable hybrid organizations can serve as incubators for new practices and be used to create sustainable social value. Moreover, the emphasis on sustainable hybridization can create organizations that thrive (Smith & Besharov, 2019), implying *societal outcomes* (3c) of *societal well-being*.

Discussion of HRM Roles in Hybrid Organizations

The previous section derived three HRM roles in hybrid organizations—*hybrid strategist*, *capability adapter*, and *identification generator* (see Figure 2). The following section

presents a discussion of the proposed HRM roles in terms of how they broaden existing HRM roles and contribute to hybrid goals as well as the management of tensions (see Figure 3).

Insert Figure 3 about here

(1) *The Role of the Hybrid Strategist*

The first HRM role refers to the determinants in hybrid contexts. This HRM role extends the roles of the strategic business partner (Ulrich, 1997; Ulrich, Younger, Brockbank, & Ulrich, 2013) and focuses on facilitating the achievement of environmental, social, and economic goals (Christina, Dainty, Daniels, Tregaskis, & Waterson, 2017; Haddock-Millar, Sanyal, & Muller-Camen, 2016; Podgorodnichenko et al., 2020). The hybrid strategist's first contribution is its *continuous adaption to new contexts*. According to Ulrich's (1997) definition, strategic partners are key HRM professionals assigned to a business unit to assist managers in developing and implementing strategies. In recent versions, strategic partners have also been described as strategic positioners and change agents (Ulrich et al., 2013). However, although the business partner model provides answers to HRM tensions, researchers argue that constant change in the business environment requires HRM roles to adapt to new contexts (Gerpott, 2015; Ulrich & Dulebohn, 2015). This rigid focus has led researchers to emphasize HRM roles that focus on facilitating the achievement of environmental and social goals (Haddock-Millar et al., 2016) and the integration of conflicting demands from a one-pole perspective (Gerpott, 2015). Furthermore, Gerpott (2015) suggested cultivating a *paradoxical vision* to support both sustainability and change. She further emphasizes the service that HRM should provide to various stakeholder groups, considering the organizational context. Now, one could argue that by emphasizing these features of the newer HRM roles on sustainability goals and paradoxical thinking, the tasks of the strategist role has already been addressed.

However, the hybrid strategist also differs from the newer roles in that it adopts a paradoxical outside-in perspective that does not stem from a business perspective, but rather a hybrid perspective. In other words, paradoxical vision is aimed at integrating not only sustainability goals into a profit-oriented context but also profit-oriented strategies into a socially driven organization. In the third sector, requirements are more likely to be made for more efficient management (Dart, 2004). Key stakeholders such as society, donors, or political committees mobilize logics in a differentiated way and then are objects of micro-negotiations in HRM decisions (Battilana & Dorado, 2010; Desmarais et al., 2019). If stakeholder demands and logics are taken up in the respective organizational structures and HRM strategy they create (paradoxical) tensions and if not properly addressed, will cause vicious cycles (Putnam et al., 2016). The task of deriving appropriate responses to multiple demands and tensions, making strategic decisions, and interpreting the logics that facilitate sustainability goals is dependent on how the (paradoxical) manager interprets the logics (Currie & Spyridonidis, 2016).

This interpretation context highlights the origin of the hybrid strategist, as the support and advisory functions (see Figure 2) of this role are derived from the (paradoxical) manager, working in both directions—integrating sustainability demands in profit organizations and profit-oriented structures and practices in social organizations. These functions imply that hybrid strategists can cultivate a paradoxical vision starting from business and social perspectives, by identifying and understanding key contextual factors that explain possible tensions. In this sense, the hybrid strategist adopts an outside-in perspective (Aust et al., 2020; Dyllick & Muff, 2016). Predicting potential tensions from both perspectives (profit and social) enables the hybrid strategist to advice on the *proactive management of multiple strategic responses* to serve various stakeholder groups. Moreover, the support function facilitates a starting point from both perspectives (profit and social) indicating that the hybrid strategist serves various stakeholder groups in designing strategic responses that address tensions to achieve long-term solutions and promote virtuous cycles (Putnam et al., 2016).

The last distinction, derived from established HRM roles is the actual implementation of systems and practices. The review shows that with regard to the political orientation *function* (see Figure 2), the hybrid strategist ensures the implementation of profit and social-oriented systems and practices by promoting managers' strategic decisions. Moreover, *tracking strategy implementation*, strategies, such as symbolic compliance, are avoided ensuring that hybridity does not remain in the realm of organizational strategy (Pache & Santos, 2013).

(2) *The Role of the Capability Adapter*

The second HRM role refers to the content in hybrid contexts. The capability adapter develops the capabilities for change or hybridization through training and development practices designed to create and develop knowledge, skills, and competencies required to achieve hybrid goals (Guerci, Longoni, & Luzzini, 2016; Haddock-Millar et al., 2016; Podgorodnichenko et al., 2020). The results indicate two functions entailed in this role - *evolution* and *revolution* (see Figure 2). While the evolution function is to design a continuous adaptation of capabilities to hybrid requirements, the revolution function implies a comprehensive or radical adaption to change. In this regard, the capability adapter combines the roles of the “capability builder” and the “change champion” developed by Ulrich, Younger, Brockbank, and Ulrich (2012) to the hybrid context. They emphasize that an effective HR professional as a “capability builder”, fuses individual capabilities into an effective and strong organization by helping to define and build critical organizational capabilities, while the “change champion” initiate and sustain change (Ulrich et al., 2012).

The review, shows that hybrid organizations require employees who possess the necessary competencies and capabilities to pursue social and economic goals (Battilana & Dorado, 2010). As such, different hiring, development, and socialization practices are implemented (Hsieh et al., 2018; Pache & Santos, 2010). The capability adapter is distinguished from the roles of capability builder and change champion by the ability to embrace the *both-and* function; that is, they can act in either evolutionary or revolutionary ways to build (hybrid)

organizational capabilities and to sustain change. This *flexible adaption of development intensity* is particularly important as hybridization can lead to tensions that may arise through HR activities, such as training and development (Melnik et al., 2013). In terms of its evolutionary function, the role of the capability adapter can ensure that tensions are reduced, as the role focuses on a long-term and consistent development of skills to avoid a radical change by an overemphasis on certain logics as described in the study by Bruneel et al. (2016). However, the revolution function requires the capability adapter to ensure the application of new or contrary HRM practices e.g., *promoting paradoxical views* and *developing hybrid skills* initiating significant change with regard to existing work processes and routines.

Thus, by fulfilling the role of a capability adapter in applying both evolution and revolution functions, HRM professionals need to be aware of the required employee skills and competencies to pursue dual strategies. Here, sustainable HRM competencies such as integrating short- and long-term goals as well as raising awareness of HRM's accountability for the impact of decisions might be helpful (Aust et al., 2020). Furthermore, the skills to recognize and accept interrelated demands and paradoxical tensions are required for the management of the organization's workforce. Hybrid managers can interpret dual logics and enact strategic decisions. HRM can hire suitable people or support the development of existing personnel regarding hybrid roles and hybrid thinking (Currie & Spyridonidis, 2016; McGivern et al., 2015). Moreover, to support the integration of social goals, stakeholders embedded in supporting those particular goals should become part of the workforce structure (Imperatori & Ruta, 2015). Capability adapters should seize the selection and implementation of training and development methods, which promote hybrid thinking or special skills (Giacomelli et al., 2019) to reduce the risk of internal conflicts (Al Taji & Bengo, 2019). HR professionals need (hybrid) reconfiguration skills to combine new and old HRM practices. Simultaneously, HR professionals must be conscious that the combination of HR practices, due to different performance and sustainability goals, may create tensions and should consider how to redesign

business practices to match new perspectives and goals, with minimal tension, to achieve sustainability (Aust et al., 2020).

(3) *The Role of the Identification Generator*

The third HRM role refers to the outcomes in hybrid contexts. This role adopts the implementation of HRM practices that lead to sustainable (HRM) outcomes by *creating identification with hybrid values*, thus mitigating turnover tendencies. Identification arises when members perceive their own and their organization's identities to be consistent (Ashforth et al., 2008). Identity theory suggests that employee identification with the values of the organization contributes to commitment, job satisfaction, and engagement, which further reduces employee turnover (Battilana & Dorado, 2010; Napathorn, 2018). These two functions define the role of the identification generator—*signaling* and *involvement* (see Figure 2). In hybrid organizations, the signaling function may be important when applying HRM practices such as attracting and hiring. This is because divergent employee identities can cause tension among members (Hsieh et al., 2018). Thus, attracting employees with congruent identities and values may facilitate the formation of a common hybrid identity. The involvement function includes HR practices, such as job enrichment and employee voice that influence HRM outcomes, such as job satisfaction and turnover tendencies.

It can be assumed that the identification generator is a modified employer brander. Backhaus and Tikoo (2004) note that “employer branding represents a firm's efforts to promote, both within and outside the firm, a clear view of what makes it different and desirable as an employer”. Furthermore, research notes that organizations with a “good” employer brand attract more talented applicants (Cable & Turban, 2003). Employer branding also helps to retain talented individuals, build trust in leadership, and develop stronger bonds because of its impact on individual, team, and organizational engagement (Gittell, Seidner, & Wimbusch, 2010). Attracting and retaining talented employees is an essential aspect of organizational sustainability, as it reduces hiring and training costs and creates a certain level of stability in

organizations. As such, the identification generator reflects the future HR role of talent acquisition described by Ulrich and Dulebohn (2015). However, what distinguishes the identification generator is that it captures how organizations that pursue hybrid goals and inherit hybrid identities can “brand” employees implying the ability of *hybrid branding of employees*.

Moreover, the identification generator addresses how successful employer branding can avoid belonging tensions arising when organizational goals change. Conversely, the identification generator applies HRM practices that send clear signals to exclude employees who may be unsuitable for the organization or who do not intend to stay in the long term., thereby promoting sustainability. If required, signals transmitted through HRM practices adapt a hybrid strategy, for example, integration or combination (e.g. Battilana & Dorado, 2010). The ability to create identification to a hybrid strategy by *sending differentiated signals* may also be beneficial for the subsequent socialization of employees within the organization because they already inherit pre-socialized hybrid values (Hsieh et al., 2018). Conversely, the identification generator addresses belonging tensions with existing employee. While new employees are socialized into an organizational identity that is appealing to them, existing employees know a different version of this organizational identity. Moreover, new demands are placed on existing employees; for example, changes in their daily tasks or training for the development of new competencies. This often leads to employees being overburdened, emotional exhaustion, and, in the worst case, leaving the organization (Conway et al., 2016; Ohana & Meyer, 2010). Thus, the sustainability-generating character of the involvement function consists of high-involvement HRM practices, such as compensation and communication (Arthur, 1994). Moreover, it can comprise of HR practices that are linked to a social or community logic. These practices act as a motivator for existing employees, increasing HR retention and reinforcing employee commitment to the social mission, leading to engagement and improved long-term performance (Moses & Sharma, 2020). Hence, the signal and involvement functions of the identification generator support organizational sustainability goals (Aust et al., 2020) by

addressing and socializing matching employees using flexible and differentiated signals and reducing belonging tensions through the integration of existing employees.

Conclusion

Over the last few decades, environmental changes have led to a transformation in SHRM and its organizational roles. There is a growing demand for HRM roles that contribute to the achievement of sustainability and the management of emerging tensions (Aust et al., 2020; Keegan et al., 2019). However, the gap until date is that the majority of HRM roles that are currently in operation still focus on a profit orientation. Moreover, although paradoxical approaches emphasize that HRM roles require the adoption of paradoxical thinking to manage tensions, we still lack knowledge about how this adoption occurs. Hence, despite some theoretical and empirical progress in redesigning HRM roles, the consideration of HRM roles from a hybrid perspective has been neglected. This is critical, as HRM roles that can address hybrid contexts are particularly relevant for HR practitioners as organizations increasingly hybridize.

Addressing the research question of *how HRM roles are configured in hybrid organizations*, this article draws on insights obtained through a systematic review. Studying HRM in hybrid organizations provide new avenues into the configuration of future HRM roles and functions, contributing to the development of sustainability goals and tension management.

This article proposes three HRM roles and related functions to supplement previous findings. Adopting an outside-in perspective, the organizational role of the *hybrid strategist* is proposed. This role includes a political orientation function in which key contextual factors are identified and transferred to the strategy. Furthermore, the hybrid strategist includes an advisory and support function, which assists in strategic management decisions, ensuring the transfer of strategic decisions into the HRM strategy and practices. Moreover, the role of the *capability adapter* is introduced. With its evolution and revolution function, this role involves building and implementing HRM practices that achieve sustainability goals by creating and developing

specific (hybrid) competencies, and addressing the tensions generated by this development. Finally, the organizational role of the *identification generator* is proposed. This role includes the development of organizational identity, and the support for sustainable hybridization. This is supported by a signaling function aimed at attracting potential employees who have similar values and can easier be socialized into the organization. The involvement function includes addressing belonging tensions.

Depicting the research landscape of HRM in hybrid organizations and proposing three HRM roles this article contributes in theoretical and practical terms. Theoretically, existing paradox-theoretical approaches in the HRM literature regarding to the requirements for HRM to contribute to sustainable or hybrid goals are addressed. Additionally, the current discussion on tensions arising from the integration of divergent goals is tackled and supplemented by insights from the hybrid literature. Finally, based on the findings of the literature review, three HRM roles are proposed that supplement and extend existing roles. Based on a hybrid context, these roles provide detailed insights what HRM functions are required to contribute to sustainability and the management of tensions. Thus, the proposed roles lay the foundation for future HRM roles that create value by ensuring that services HRM offers inside the organization are aligned with expectations outside. Moreover, the HRM roles inherit a configuration able to adapt paradoxical thinking to handle tensions simultaneously. As such in practical terms, the proposed HRM roles provide guidance for HR practitioners on how to manage sustainability goals and address tensions in hybrid contexts. Taken together, the proposed HRM roles provide a further step to enhance existing HRM roles (Ulrich, 1997; Ulrich & Dulebohn, 2015). However, further research is required to specify these roles and their interrelationships and apply them empirically. Moreover, it is important to clarify which structural conditions are required to support the successful implementation and application of these roles. Finally, it should be investigated whether certain HRM roles are of greater relevance in different

hybridization contexts and to what extent the roles of the *hybrid strategist*, *capability adapter*, and *identification generator* are mutually reinforcing.

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Footnotes

¹Q1 to Q4 refer to journal ranking quartiles within a subdiscipline using the SCImago Journal Rank (SJR) citation index. Accordingly, a journal in the first quartile (Q1) has an SJR in the top 25% of journals for at least one of its subdisciplines for which it is classified. Q2 is occupied by journals in the 25 to 50% group and Q3 is occupied by journals in the 50 to 75% group.

Table 1
Overview of Journal and Book Publications on HRM in Hybrid Organizations

Journals/books and number of publications	Authors
<i>Public Administration</i> (4)	Fossestøl et al. (2015), Gulbrandsen et al. (2015), Krøtel and Villadsen (2016), McGivern et al. (2015)
<i>International Journal of Human Resource Management</i> (3)	Hsieh et al. (2018), Melnik et al. (2013), Zhang et al. (2018)
<i>Academy of Management Journal</i> (2)	Battilana and Dorado (2010), Pache and Santos (2013)
<i>Academy of Management Review</i> (2)	Pache and Santos (2010), Pratt and Foreman (2000)
<i>California Management Review</i> (2)	Haigh et al. (2015), Santos et al. (2015)
<i>European Management Journal</i> (2)	Martin et al. (2016), Ohana and Meyer (2010)
<i>Human Resource Management</i> (2)	Conway et al. (2016), Roumpi et al. (2019)
<i>Human Resource Management Review</i> (2)	Ren and Jackson (2020), Ridder et al. (2012)
<i>Journal of Social Entrepreneurship</i> (2)	Al Taji and Bengo (2019), Bruneel et al. (2016)
<i>Organization Studies</i> (2)	Currie and Spyridonidis (2016), Mair et al. (2015)
<i>Academy of Management Annals</i> (1)	Battilana and Lee (2014)
<i>Academy of Management Learning and Education</i> (1)	Smith et al. (2012)
<i>Administrative Science Quarterly</i> (1)	Smith and Besharov (2019)
<i>British Journal of Management</i> (1)	Burgess and Currie (2013)
<i>Business Ethics Quarterly</i> (1)	Smith et al. (2013)
<i>Health Services Management Research</i> (1)	Giacomelli et al. (2019)
<i>Human Resource Management Journal</i> (1)	Alvehus (2018)
<i>International Review of Administrative Science</i> (1)	Desmarais et al. (2019)
<i>International Small Business Journal</i> (1)	Dufays and Huybrechts (2016)
<i>Journal of Asia Business Studies</i> (1)	Napathorn (2018)
<i>Journal of Business Research</i> (1)	Moses and Sharma (2020)
<i>Nonprofit and Voluntary Sector Quarterly</i> (1)	Ridder and McCandless (2010)
<i>Public Management Review</i> (1)	Powell et al. (2019)
<i>Research in Organizational Behavior</i> (1)	Ebrahim et al. (2014)
<i>Social Enterprise Journal</i> (1)	Imperatori and Ruta (2015)
<i>Springer International Publishing</i> (1)	Winkler and Portocarrero (2018)
<i>The SAGE Handbook of Organizational Institutionalism</i> (1)	Battilana et al. (2017)

Table 2**Categories, Key themes, and Codes in the Data Analysis of HRM in Hybrid Organizations**

Categories	Key themes	Codes	Author(s), publication year	
Determinants	Contextual factors	Institutional logics	<i>Battilana & Dorado, 2010; Currie & Spyridonidis, 2016; Desmarais, 2019; Moses & Sharma, 2020; Pache & Santos, 2010; Ren & Jackson, 2020; Smith et al., 2012; Zappalà, 2001</i>	
		Stakeholder demands	<i>Battilana & Dorado, 2010; Desmarais et al., 2019</i>	
	Tensions	Belonging Performing Learning Organizing	<i>Battilana & Dorado, 2010; Pache & Santos, 2010; Smith et al., 2013</i>	
		Paradoxical/ hybrid manager	Social Position Role Competencies	<i>Currie & Spyridonidis, 2016</i> <i>Burgess & Currie, 2013; McGivern et al., 2015</i> <i>Al Taji & Bengo, 2019; Smith et al., 2012</i>
	Organizational strategy	Integration/ Aggregation/Synthesis	Integration/ Aggregation/Synthesis	<i>Battilana & Dorado, 2010; Battilana et al., 2017; Hsieh et al., 2018; Pratt & Foreman, 2000</i>
			Compartmentalization/ Differentiation	<i>Hsieh et al., 2018; Pratt & Foreman, 2000</i>
		Symbolic Compliance Selective coupling/ Inverted appropriation Deletion	Symbolic Compliance	<i>Fossestøl et al., 2015</i>
			Symbolic Compliance Selective coupling/ Inverted appropriation Deletion	<i>Alvehus, 2017; Mair et al., 2015; Pache & Santos, 2013</i> <i>Hsieh et al., 2018; Pratt & Foreman, 2000</i>
	Content	HRM strategy	Hybridization type	<i>Bruneel et al., 2016; Gulbrandsen et al., 2015; Mair et al., 2015; Martin et al., 2016; Santos et al., 2015</i>
		HRM systems	High commitment/ collaborative Control/calculative	<i>Martin et al., 2016</i>
Third way			<i>Ridder & McCandless, 2010; Ridder et al., 2012</i>	
Hybrid organizing			<i>Battilana & Lee, 2014</i>	
HRM practices		Ethics of care	<i>Roumpi et al., 2020</i>	
		Attraction	Attraction	<i>Hsieh et al., 2018</i>
			Selection/Hiring	<i>Battilana & Dorado, 2010; Dufays & Huybrechts, 2016; Ebrahim, 2014; Hsieh et al., 2018; Imperatori & Ruta 2014; Napathorn et al., 2018; Santos et al., 2015; Winkler & Portocarrero, 2018</i>
		Socialization	<i>Battilana & Dorado, 2010; Battilana & Lee, 2014; Burgess & Currie, 2013; Ebrahim, 2014; Hsieh et al., 2018; Krøtel & Villadsen, 2016</i>	
		Development/Training	<i>Al Taji & Bengo, 2019; Battilana & Dorado, 2010; Giacomelli et al., 2016; Smith et al., 2012</i>	
		Incentives	<i>Battilana & Dorado, 2010; Hsieh et al., 2018</i>	
		Involvement	<i>Zhang et al., 2017</i>	
Employee voice		<i>Conway et al., 2016; Zhang et al., 2017</i>		

Table 2 (continued)

Categories	Key themes	Codes	Author(s), publication year
Outcomes	HRM outcomes	Identification	<i>Ebrahim, 2014; Hsieh et al., 2018; Zhang et al., 2017</i>
		Commitment, Engagement, Retention	<i>Conway et al., 2016; Moses & Sharma, 2020; Zhang et al., 2017</i>
		Job satisfaction	<i>Melnik et al., 2013; Ohana & Meyer, 2010;</i>
		(Hybrid) competencies	<i>Ren & Jackson (2020)</i>
		Turnover	<i>Ohana & Meyer, 2010</i>
		Workforce shortage	<i>Krøtel & Villadsen, 2016; Ohana & Meyer, 2010</i>
		Emotional exhaustion	<i>Conway et al., 2016</i>
	Organizational outcomes	Hybrid workforce	<i>Powell et al., 2018</i>
		Sustainability/Sustainable hybridization	<i>Haigh et al., 2015; Powell et al., 2018; Ren & Jackson, 2020; Smith & Besharov, 2019</i>
		Performance outcomes	<i>Ohana & Meyer, 2010</i>
		Organizational identity	<i>Battilana & Lee, 2014; Hsieh et al., 2018</i>
	Societal outcomes	Societal well-being	<i>Powell et al., 2018; Smith & Besharov, 2019</i>

Figure 1
Systematic Review Process

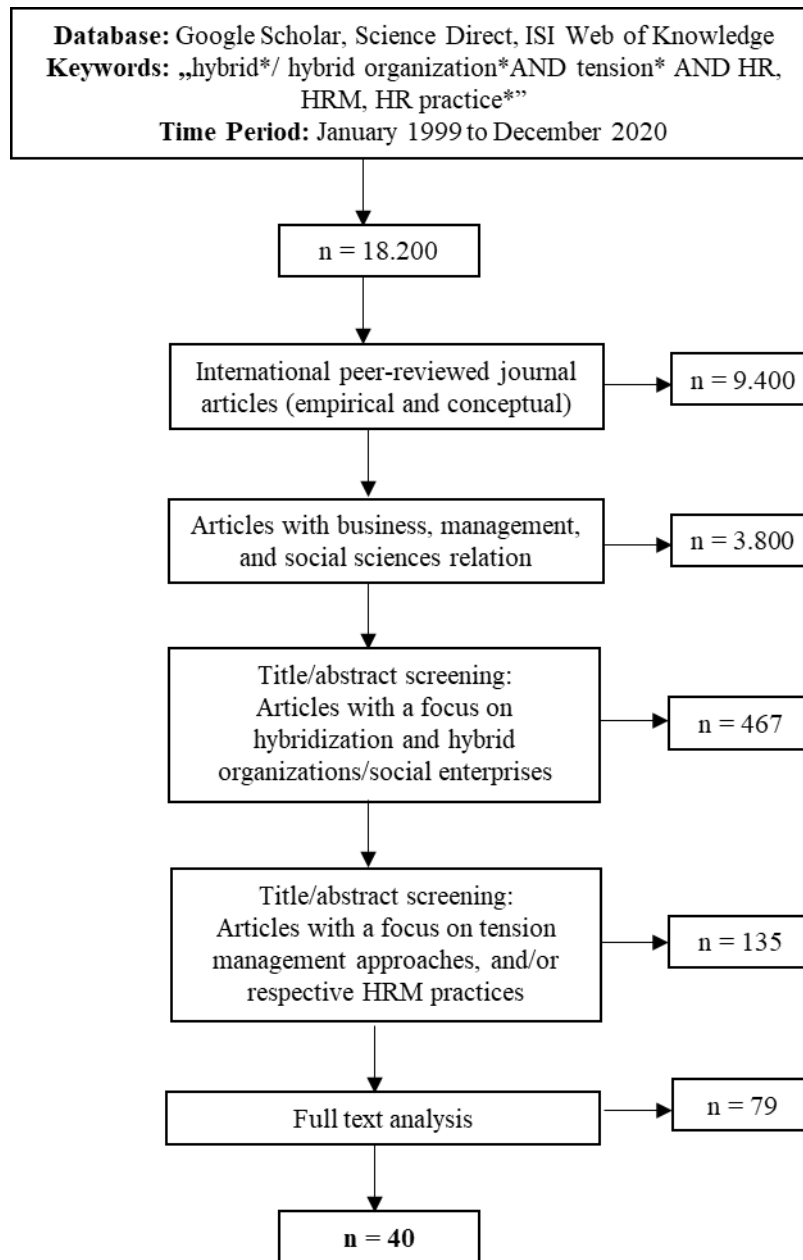


Figure 2

HRM Roles with regard to Determinants, Content, and Outcomes in Hybrid Organizations

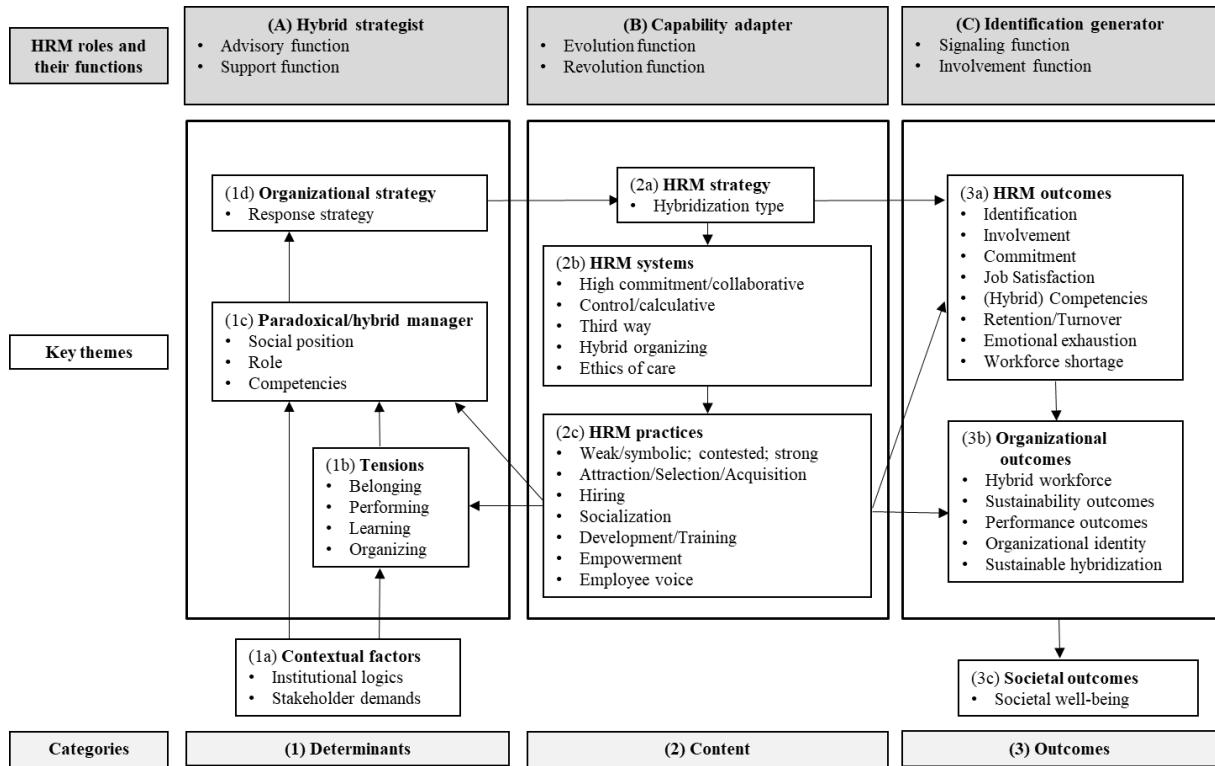
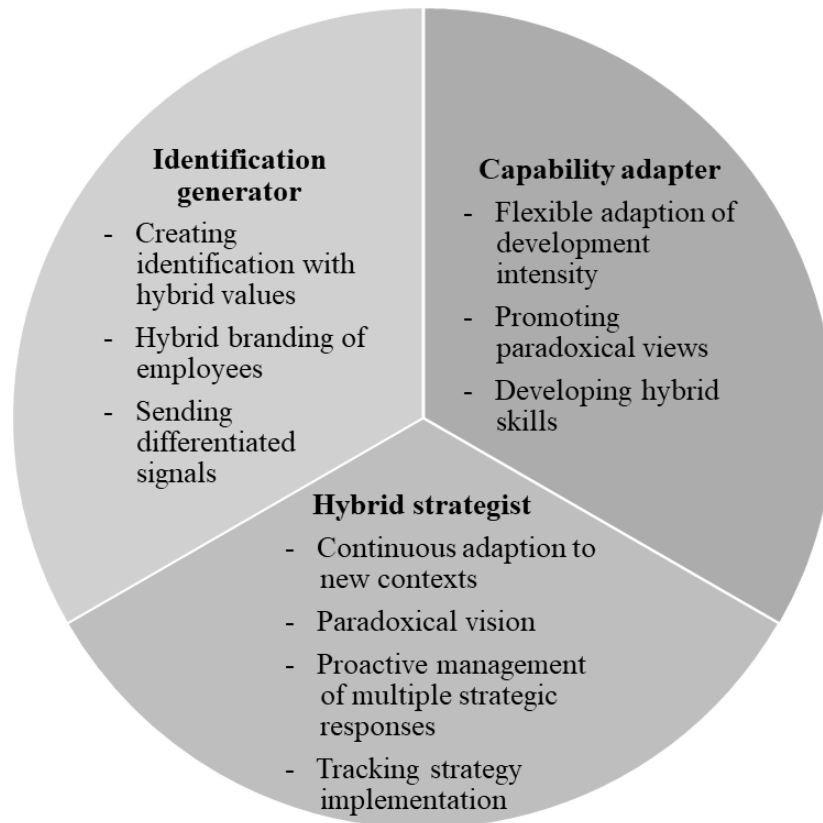


Figure 3

HRM Roles for addressing Tensions and contributing to Sustainability in Hybrid Organizations



Paper 2

Addressing Social-Business Tensions in Hybridized Nonprofit Organizations: The Contribution of Strategic Human Resource Management

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Human Resource Management Review

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Addressing Social-Business Tensions in Hybridized Nonprofit Organizations: The Contribution of Strategic Human Resource Management

Abstract

Nonprofit hybridization represents the adaptive response to a turbulent environment leading to tensions between contradictory goals (e.g. social and business goals). Although research has provided insights into the strategies for addressing the tensions stemming from hybridization, it has paid less attention to how strategic human resource management (SHRM) may play a role in managing these social-business tensions. Given the increasing complexity nonprofit organizations (NPOs) face, this hybrid context presents a valuable opportunity to examine the concept of SHRM “fit” in terms of different stakeholders, diverse and competing goals and resulting tensions. This article aims to conceptualize and contextualize SHRM fit in NPOs to gain a better understanding of how organizations can orientate their systems and practices to manage competing demands stemming from hybridization. Reviewing the nonprofit and hybrid literature, we develop a typology of nonprofit hybridization that distinguishes NPOs according to their financial and social orientation and specify which tensions and management approaches dominate these types. Drawing on the concept of SHRM fit, we advance a framework and propositions on how the management approaches in each of the types result in different configurations of vertical and horizontal fit in SHRM that address social-business tensions. Hereby we extend current debates on hybridization and SHRM approaches in NPOs and contribute to a better theoretical understanding of the implications of tension management approaches in variants of hybrid organizations.

Keywords: *Strategic Human Resource Management; vertical fit; horizontal fit; Nonprofit Hybridization; Social-Business Tensions*

Introduction

Facing funding constraints, alongside growing demands on services, deregulation and increasing competition (Helmig, Ingerfurth, & Pinz, 2014), nonprofit organizations (NPOs) are responding to their increasingly turbulent, uncertain environment with hybridization. Externally, stakeholders require NPOs adapt to demands that are shifting nonprofit values (Litrico & Besharov, 2019). Internally, NPOs are expected to follow management standards (Suárez, 2011), leading to professionalization in the nonprofit sector and increasing use of profit-oriented structures, activities and practices (Ridder, Piening, & Baluch, 2012). In response to these pressures, NPOs engage in commercial activities or commercialize parts of their charity services, which in return funds noncommercial charity services (Jäger & Schröer, 2014; Maier, Meyer, & Steinbereithner, 2016). These developments highlight that the boundaries between organizational forms and their corresponding sectors have become increasingly blurred, with nonprofit hybridization representing an adaptive response that can lead to tensions between conflicting imperatives (e.g. social and economic rationales) (Ashforth & Reingen, 2014; Litrico & Besharov, 2019).

In recent years, the hybrid literature has provided valuable insights into the management of these social-business tensions (Battilana, Besharov, & Mitzinneck, 2017; Battilana & Lee, 2014; Mon, Gabaldón, & Nuñez, 2021; Smith, Gonin, & Besharov, 2013). These approaches emphasize strategies such as integration or aggregation (Pratt & Foreman, 2000), blending (Skelcher & Smith, 2015), and selective coupling (Pache & Santos, 2013). Additionally, they focus on compartmentalization (Pratt & Foreman, 2000), and segregation or segmentation (Skelcher & Smith, 2015), depending on whether social-business tensions display a high level of synergy or tensions (Besharov & Smith, 2014). However, barring a few studies considering human resource systems and practices in hybridized organizations (Battilana & Dorado, 2010; Dorado, Chen, Prado, & Simon, 2021), little attention has been devoted to the role of strategic

human resource management (SHRM) and its contribution to the management of tensions stemming from hybridization (Smith & Besharov, 2019).

This is surprising considering one of the foundational concepts in SHRM as a response to increasing organizational complexity is about the “fit” of the use of human resources for the achievement of organizational goals (Wright & McMahan, 1992). Drawing on this concept of fit in SHRM in the context of managing social-business tensions in hybridized organizations is theoretically meaningful in various ways. To begin with, it is expected that the strategic goals of an organization can be pursued more effectively the better the HR system’s vertical and horizontal fit is linked with these goals (Banks & Kepes, 2015). This notion of vertical fit refers to the alignment of HR practices with the broader strategic orientation of the organization (Schuler & Jackson, 1987), while horizontal fit concerns the congruence, coherence and consistency between different HR practices so that they are mutually reinforcing (Baird & Meshoulam, 1988). Given the propensity of organizations to fragment and drift as their needs and environments increase in complexity, the concept of fit has been useful for understanding how organizations are kept integrated to manage their strategic challenges (Snell & Morris, 2021). The notion of fit suggests it is fruitful for shedding light on the aforementioned tension management approaches that focus on integration and blending in hybridized organizations. At the same time, recent conceptual developments on fit suggest that despite its focus on congruence, it can allow for variation that reflects the challenges organizations face in managing complexity and change (Donnelly & Hughes, 2022; Snell & Morris, 2021). This suggests fit can also contribute to a better understanding of tension management approaches in hybridized organizations that may entail built-in inconsistencies and structures and practices that are non-complementary and divergent.

Second, the question of fit gives us a way to scrutinize the different stakeholders, diverse and competing goals and resulting tensions in the context of hybridized organizations. This is in line with recent approaches to sustainable HRM and ethical HRM that focus on

overcoming narrow performance-oriented outcomes to consider a broader spectrum of societal and sustainability-oriented goals as well as the well-being of employees. For example, the SHRM approaches by (Beer, Bert, Lawrence, Mills, & Walton, 1985; Beer, Boselie, & Brewster, 2015) base HRM policy choices on the heterogeneity of diverse stakeholder interests and volatile situational factors. The short-term effects of HRM policy choices are differentiated into a variety of HR outcomes that entail commitment, competence, congruence, and cost-effectiveness, but there is also a consideration of long-term consequences (e.g. individual well-being, organizational effectiveness, and societal well-being) which address the call to consider multilevel outcomes (Guerci, Decramer, van Waeyenberg, & Aust, 2019). Other authors adopt a holistic conceptualization in which key actors have to balance strategic, organizational, societal, and environmental fit which consider a broader spectrum of outcomes, especially individual well-being, and societal well-being (Farndale & Paauwe, 2018). In addition, there is a move to a more sustainable HRM (Ehnert, Harry, & Zink, 2014; Kramar, 2014) and ethical HRM (Guest & Woodrow, 2012) where authors link HR strategies, policies, and practices to individual, organizational, and societal consequences and consider long-term impacts on the quality of work life. More recently, Lopez-Cabrales and Valle-Cabrera's (2020) work on SHRM links to sustainability and competitiveness. Depending on how an organization attends to these diverse demands in its approach to SHRM, HR strategies can differ in the intensity with which sustainability is present in their framing and in the orientation of the behaviors they seek to achieve.

In this paper we aim to conceptualize and contextualize SHRM fit in NPOs to gain a better understanding of how organizations can orientate their systems and practices to manage competing demands stemming from hybridization (Battilana & Dorado, 2010; Doherty, Haugh, & Lyon, 2014). To achieve this goal, we examine *how SHRM contributes to the management of social-business tensions in types of hybrid NPOs*. Exploring the concept of SHRM fit in NPOs, which face conflicting demands of combining social and financial goals, allows us to

expect to encounter different forms of hybridity and tension management approaches (Litrico & Besharov, 2019). We thereby ground SHRM conceptualization to more fully reflect the challenges faced by contemporary organizations (Snell & Morris, 2021). Furthermore, we turn our attention to the different types of hybrid nonprofits, as it is important to consider the implications of SHRM fit within these organizations in order to strengthen their hybrid nature and enable them to address societal issues more effectively (Battilana & Lee, 2014; McDonald, Weerawardena, Madhavaram, & Sullivan Mort, 2015).

We structure our article as follows: First, we review the literature on the context of nonprofit hybridization as well as tensions and management approaches associated with hybridity. Second, we develop a typology that distinguishes different types of nonprofit hybridization according to their social and financial orientation and conceptualizes the differences in their characteristics, tensions, and management approaches. Third, drawing on the concept of SHRM fit, we advance a framework and derive propositions on how the management approaches in each of the distinct types result in different configurations of fit in SHRM that address social-business tensions.

Adopting an SHRM lens, we extend the current debates on hybridization and HRM approaches in NPOs (Dorado et al., 2021; Litrico & Besharov, 2019; Ramus & Vaccaro, 2017) and contribute to a better theoretical understanding of the implications of tension management approaches in variants of hybrid organizations (Battilana et al., 2017; Litrico & Besharov, 2019). In particular, we direct attention to the design of strategic vertical and horizontal fit that can support nonprofit hybrid types in achieving dual goals or in managing the prioritization of goals (Baluch & Ridder, 2020; Defourny & Nyssens, 2017; Ridder & McCandless, 2010). Second, we offer a novel framework and set of propositions that conceptualize how the tension management approaches lead to distinct configurations of vertical and horizontal fit of HR systems and practices, thereby informing and stimulating future research on SHRM in hybridized NPOs. Our conceptualization enriches our understanding of how SHRM addresses

social-business tensions in organizations in the context of multiple stakeholder purposes and societal demands (Beer et al., 2015; Guest & Woodrow, 2012). By addressing the diversity of hybrid types and their tensions, our study adds to recent debates on alignment perspectives in SHRM (Lopez-Cabrales & Valle-Cabrera, 2020; Snell & Morris, 2021).

Literature Review

Recently the phenomenon of nonprofit hybridization has attracted an increased amount of research interest (Ko & Liu, 2021; Litrico & Besharov, 2019; Suykens, Rynck, & Verschuere, 2019b). Hybridization of NPOs involves the integration and combination of commercial and social welfare logics. These logics can be defined as taken for granted beliefs, strategies, structures, and practices that guide actors' behavior in fields of activity (Thornton, Ocasio, & Lounsbury, 2012). These logics differ in commercial and welfare organizations "based on the extent to which these logics are core to the organization" (Battilana & Lee, 2014: 402). As such, there is a tendency that NPOs increasingly share features of a social-business, hybrid or a social enterprise, which strives for a variety of goals and is characterized by different interests and management approaches (Defourny & Nyssens, 2017; Litrico & Besharov, 2019). Research considers nonprofit hybridization as an adaptive response to a turbulent environment initiated by the growth of the third sector and changing multiple stakeholder requirements (Skelcher & Smith, 2015).

Moreover, hybridization is an answer of NPOs to address the needs of external and internal stakeholders more effectively (Ashforth & Reingen, 2014; Suykens et al., 2019b), provide a greater social value (McDonald et al., 2015), and generate commercial income that contributes to their financial stability and organizational sustainability as traditional funding sources decline and competitive pressure intensifies (Ko & Liu, 2021). Subsequently, hybrid forms of NPOs emerge that are more market-oriented and business-like (Dart, 2004a; Maier et al., 2016), though there are several ways in which a hybrid form can combine commercial and welfare goals (Litrico & Besharov, 2019). Although hybridization represents an opportunity for

NPOs to complete the leap to an innovative and sustainable organizational form (Ko & Liu, 2021; Litrico & Besharov, 2019; Suykens et al., 2019b; Tracey, Phillips, & Jarvis, 2011), research indicates that organizations that combine multiple elements are subject to tensions (Besharov & Smith, 2014; Smith et al., 2013; Smith & Besharov, 2019). This is illustrated by Battilana et al.'s (2017: 134) definition which states hybridity “as the mixing of core organizational elements that would not conventionally go together”.

The literature on *tensions* in the context of hybrid organizations is extensive. The research discussion coalesces around two main distinctions between external and internal tensions (Battilana, Sengul, Pache, & Model, 2015) and whether these tensions manifest at the organizational, group, or individual level (Battilana & Dorado, 2010; Smith et al., 2013). External tensions are referred to as inter-institutional tensions stemming from competing external demands, e.g. changing environment, political and cultural tensions, or heterogeneous stakeholder expectations (Kraatz & Block, 2013). The challenge associated with external tensions is one of legitimizing to various stakeholders when combining competing commercial and social logics to the organizational core (Pache & Santos, 2010). This legitimation problem is increased by divergent time horizons. For example, Smith et al. (2013) emphasize that profits or revenues as financial outcomes can be measured in the short term, whereas alleviating poverty, as social mission outcomes require a longer time horizon. These different time horizons can imply conflicting prescriptions for strategic action (Hoffman, Badiane, & Haigh, 2010). Internal tensions surface at the organizational level and individual or group level regarding the role of managers and professionals. This is especially inherent in divergent internal dynamics such as structures, cultures, practices, and processes (Battilana & Dorado, 2010; Smith & Lewis, 2011). Here, tensions occur primarily due to contradictions in values (Besharov & Smith, 2014) and divergent identities among and between subgroups, especially when organizations try to attend to both social mission and business goals (Hsieh, Weng, & Lin, 2018; Smith & Lewis, 2011).

For a more precise classification of tensions, Smith and Lewis (2011) as well as Smith et al. (2013) categorize external and internal tensions as those of performing, organizing, belonging, and learning. Performing tensions emerge when organizations follow multiple and conflicting goals in addressing inconsistent demands across multiple stakeholders (Smith & Lewis, 2011). Commitment to conflicting structures, cultures, practices, and processes creates organizing tensions (Smith & Lewis, 2011). Belonging tensions relate to identity issues, and learning tensions arise from the trade-off of multiple time horizons such as growth, scale, and flexibility in the long-term and stability and security in the short-term (Smith & Lewis, 2011).

Since tensions are a critical factor for hybrid organizations, research has especially focused on their management. Given the variety of different tensions, several *management approaches* based on the nature and levels of these tensions emerge from the hybrid literature that draw on theoretical approaches such as institutional theory, identity theory, stakeholder theory, and paradox theory (Besharov, 2014; Jay, 2013; Smith et al., 2013; Smith, Besharov, Wessels, & Chertok, 2012; Tracey et al., 2011). Some approaches emphasize a joint management in proposing integration or aggregation (Pratt & Foreman, 2000), assimilation or blending (Skelcher & Smith, 2015), and selective coupling (Pache & Santos, 2013). These approaches are proposed particularly when there is a high level of synergy or consistency of logics and identities (Besharov & Smith, 2014). Other approaches call for the separate adoption of logics and identities to resolve tensions that differ too much and cannot be harmonized (Besharov & Smith, 2014). Thus, they emphasize their compartmentalization (Pratt & Foreman, 2000), segregation or segmentation (Skelcher & Smith, 2015).

Bringing together work from the aforementioned theoretical perspectives in identifying common themes in management strategies associated with hybridity, Battilana et al. (2017) offer a useful classification of the former management approaches into integration, differentiation and combination.

Integration strategies are employed to harmonize competing logics. Here the structural management of tensions lies in selectively coupling structures and practices that integrate social and economic logics. Pache and Santos (2013), for example, identified how tensions in social enterprises were managed by selectively choosing elements prescribed by each logic. The authors emphasize that this strategy allows organizations to convey legitimacy to external stakeholders without engaging in deception or negotiation.

Differentiation strategies contain structural separation, which locates different logics or identities in separate subunits. This enables, for example, the separation of work practices, as demonstrated by Voronov, Clercq, and Hinings (2013). Their study shows that employees use different scripts to engage with different logics, allowing them to separate the logics but still incorporate them both into their daily work. Moreover, the organization can effectively communicate with the relevant external audience and prevail with their internal logics. Thus, differentiation may have legitimacy benefits as stakeholders can detect conformity with their values more easily (Battilana et al., 2017).

Combination strategies contain a combination of integration and differentiation. In case of disadvantages of each of the two aforementioned strategies, Battilana et al. (2017) point to studies in which the organizations managed to bridge contradictory logics by simultaneously bridging and segmenting practices. For example, Fiol, Pratt, and O'Connor (2009) examine inter-group conflicts and propose a staged model, which first entails differentiation in order to strengthen the subgroup's identities and reduce feelings of threat and then integration to enable subgroups to find common ground and avoid intractable conflict. Furthermore, Besharov (2014) demonstrates the combination strategy by specific hiring. A hybrid enterprise may hire 'idealists', who are in sync with the company's social mission, and a second group, the 'capitalists', who are responsible for generating profits and growth for shareholders. More importantly, Besharov identified that a necessary condition for mitigating conflicts was a manager that combined both missions.

As these three management strategies account for different theoretical perspectives (Battilana et al., 2017) and can help open the aperture to understanding tensions in variants of hybrid nonprofit types (Litrico & Besharov, 2019), we use this classification for proposing that SHRM fit is based on the management approaches of integration, differentiation and combination. Based on this overview of tensions and management approaches in hybrid organizations, we now turn to the context of nonprofit hybridization to develop a typology of hybrid NPOs that conceptualizes the differences in their characteristics, tensions, and management approaches.

A Typology of Nonprofit Hybridization

Several studies in the nonprofit realm have used such typologies to identify distinct models of NPOs and related approaches. Defourny and Nyssens (2017) map the existing typologies of social enterprises and identified four major models: entrepreneurial non-profit, social cooperative, social business, and public sector social enterprise models. Recently, Litrico and Besharov (2019) indicate variations of mixed forms that have emerged in the nonprofit sector. This hybridity varies from a primary emphasis on a commercial goal to an equal emphasis on commercial and nonprofit goals and an integration of both. In analyzing 14 years of data from Canadian nonprofits, they identified the locus of integration and the scope of logics in which a hybrid form may vary over time. In doing so, they add a multi-dimensional characterization of hybridity and take into account the diversity of nuanced variations of hybrid organizational forms. With regard to HRM, Ridder and McCandless (2010) elaborated a typology of HRM in NPOs based on the human resource orientation and strategic orientation, culminating in administrative, motivational, strategic and values-based HRM. Hybridity in HR systems is represented by the values-based HRM type that combine the strong alignment of values and mission with the specific needs and expectations of nonprofit employees (Baluch & Ridder, 2020). Furthermore, hybridization is seen as a means for NPOs to balance contradictory demands in the configuration of their HRM. Empirical evidence on the ideal types of HRM in

NPOs points to the challenges of achieving a fit with religious values in values-based HRM given the constraints of the external environment and changing workforce (Walk, Schinnenburg, & Handy, 2014). Further case study evidence suggests a third way of configuring HRM that is characterized by a more strategic proactive approach of dealing with external constraints and a strong financial orientation toward performance, while still remaining attentive to internal mission-driven principles in managing HR (Ridder et al., 2012).

While these typologies and insights advance our understanding of variations of nonprofit hybridity and HRM, these two areas of research remain largely isolated. Therefore, we seek to bring these research domains together to enrich our analysis of the role of SHRM in addressing social-business tensions in hybridized NPOs and to draw conclusions about the alignment of vertical and horizontal fit in a complex hybrid context. To do so, we first introduce a typology as a classification system that offers a more nuanced understanding of the phenomenon of nonprofit hybridization (Doty & Glick, 1994). We then develop a configuration of each type and outline specific characteristics, tensions, and management approaches (Cornelissen, 2017).

Ideal Types of Nonprofit Hybridization

Research on the emergence of NPOs shows that despite international variation across NPOs, different historical traditions, the mix of legal and political systems, and economic development, a common goal is to create value in delivering predominantly social goods and services (Smets, Morris, & Greenwood, 2012; Weisbrod, 1998). This includes providing services for people who suffer financial, personal, societal, or community disadvantage (Cooney, 2006). Therefore, the nature of the inherited logics is driven by a social mission and outcome and is represented by the categorization of the first dimension as *social orientation*.

Alongside this first dimension, the *financial orientation* represents the adaptive response of NPOs to their increasingly turbulent environment (Brandsen, van de Donk, & Putters, 2005). These environmental changes affect the direction of nonprofits' mission and

income streams, changing governance arrangements and shifting management practices (Suykens et al., 2019b). As mentioned above, various studies refer to this development as becoming “business-like” (Coule, 2015; Dart, 2004a; Maier et al., 2016) and professionalized (Hwang & Powell, 2009).

Not only can types of hybridization in NPOs have a strategic focus on the social or financial orientation, but these orientations can also vary in their degree. Empirical studies support this argument as they show that commercial revenues can either substitute (McKay, Moro, Teasdale, & Clifford, 2015) or complement public and private funding (Kerlin & Pollak, 2011). The two dimensions of social and financial orientation can thus be viewed on a continuum ranging from low to high. Furthermore, we assume four ideal-typical hybridizations of NPOs resulting from the combination of the two dimensions along the axes of social and financial orientation with a high and low differentiation. Drawing on the hybridity literature, we term the four types as integrated organization, pro-business organization, pro-social organization, and ambiguous organization.

Combining insights from the nonprofit and hybridity literature, we outline the social-business tensions and their management within the classified ideal types. Figure 1 illustrates the ideal types of nonprofit hybridization and their differences in terms of their characteristics, tensions, and management approaches.

Insert Figure 1 about here

Tensions and their Management within Ideal Types

Integrated organization. The integrated organization features a first *characteristic* of scoring the maximum value on both first-order dimensions and represents NPOs that *combine both social and financial logics into their organizational core to a high degree* (Battilana & Dorado, 2010; Pratt & Foreman, 2000). These logics are both central for the organizations

functioning (Besharov & Smith, 2014). Regarding strategic objectives, the social orientation is characterized by a social welfare logic structured around the predominant goal of making products and services available to address social needs. In addition, this type is characterized by its high financial orientation guided by practices like selling services to generate an economic surplus. A second characteristic reflects the reaction to changing needs of multiple actors and beneficiaries in *integrating professionalized structures and practices to fulfill the social mission* (Hwang & Powell, 2009). Moreover, this type *entails strategic levers* such as the inclusion of internal and external stakeholders into decision-making processes to enable hybrid functioning (Pache & Santos, 2013; Santos, 2012). This is visible in using resources more effectively and efficiently in addressing the needs of these interest groups, which distinguishes this type from the pro-business and pro-social types.

Tensions in the integrated organization may arise from the characteristics of vertical alignment due to the high social and financial orientation and in particular the equally high integration of the two logics. Social-business tensions, such as performing and belonging become visible, as there may be a *risk of misalignment with external and internal stakeholders* as stakeholders may predominantly identify with either the social mission or business venture and feel disadvantaged or *neglected* when *one logic is preferred above the other* (Pache & Santos, 2013; Smith et al., 2013). Consequently, the dominance of one form or identity at the expense of another can result in *intra-organizational power struggles* or shifts in the influence and resources of external stakeholders (Battilana et al., 2017). Here, the challenge is to maintain the *balance* and *harmonize* these *competing logics* (Battilana et al., 2015; Hsieh et al., 2018).

The *management approach* of tensions consists the *integration* of social mission with commercial activities at the organization's core (Jay, 2013). Consequently, the integration of high orientation or parity of social and economic goals indicates an integration of both goals into the organizational strategy. Integration approaches contain formal structures and practices

(Battilana et al., 2017). Smith and Besharov (2019) and Santos, Pache, and Birkholz (2015) indicate the structural design decisions that integrate operations according to the defining logic. Moreover, to facilitate an ongoing adaptation of dual elements and sustaining them both over time, Smith and Besharov (2019: 1) highlight the importance of structured flexibility, described as “the interaction of stable organizational features and adaptive enactment processes”.

Pro-business organization. This organization is *characterized by a high financial and low social orientation*. These competing logics are not equally integrated; instead, the *profit logic is dominant*. In this type, pursuing profit-related activities and achieving economic goals are of primary importance (Pache & Santos, 2013) and is reflected in the *adoption of more systematic and bureaucratic procedures* (Hwang & Powell, 2009). The integration of professionalized structures and practices does not aim toward social mission, but the pursuit of new economic goals. As a consequence, a focus on profit logics is a *challenge for members’ identification and role perception* (Croft, Currie, & Lockett, 2015; McGivern, Currie, Ferlie, Fitzgerald, & Waring, 2015).

The dominant *tension* in this type is *mission drift*, the “process of organizational change” where the organization “diverges from its main purpose or mission” (Cornforth, 2014). It implies that if a formerly socially-oriented organization deviates too strongly from its original goals, it may no longer be considered *legitimate*. Specifically, the drift can cause performing and belonging tensions that may generate conflicts among organizational members (Battilana & Dorado, 2010; Smith et al., 2013) and can induce a *lack of support from critical stakeholders* (Dart, 2004b). Learning tensions can also arise, as economic goals, e.g., profit, revenue, or cost, are easy to measure, whereas social metrics, e.g., quality of work outcomes or employee well-being, are more difficult to determine (Hoffman et al., 2010). Thus, the short-term visibility of financial performance can also encourage mission drift and impede the return or reintegration of social goals.

The management of mission drift is more complex than its prevention (Ramus & Vaccaro, 2017). Mission drift is associated with a radical transformation in core values, objectives, and strategies. As tensions within this type are accordingly severe, the *management approach of differentiation* of social goals and commercial activities can address tensions in this constellation (Pache & Santos, 2013).

Pro-social organization. This organizational type, scored at a *high social orientation* and *low financial orientation*, implies that the predominant goals remain social-oriented (Kodeih & Greenwood, 2013). The low financial orientation indicates that NPOs strive to deliver on their mission over superior financial performance. As such, organizations aligned with social logics address a social need or problem and prioritize their beneficiaries as their dominant stakeholder group (Mair, Mayer, & Lutz, 2015). Consequently, this type is *characterized by restricted channels of revenue intake* and therefore may be vulnerable to market turbulence (Carroll & Stater, 2009). Yet, neglecting the needs of adapting to business-like activities can *risk organizational demise*, as illustrated in Tracey et al.'s (2011) study of a British work integration organization in which prioritizing social mission led to financial ruin. Moreover, a weak strategic consideration of finance-oriented goals can be traced back to the organizational ability to commercialize. For example, Suykens, Rynck, and Verschuere (2019a) maintain that when resource uncertainty is similar, differences in organizational origins, professional capacity, and types of tasks can explain differences in terms of commercial effort within organizations. They emphasize that NPOs pursue commercial intentions when they are more focused on service delivery, and that commercialization is possible if there is sufficient capacity for professionalization (Suykens et al., 2019a).

Tensions in the pro-social type arise due to the changing *requirements of stakeholders*, demands for *professionalization*, and demands for *cost reduction*. Although strong pressure is exerted on NPOs, this type has deeply anchored social orientations which creates belonging tensions leading to varied *ability to cope with integrating a new managerial logic* (Teelken,

2015). Resistance increases if the business orientation does not correspond to the organization's traditional values (Jäger & Beyes, 2010). Such resistance to change structures, practices, and behavior stems from an individual understanding of social roles and intrinsic motivation (Currie & Spyridonidis, 2016; McGivern et al., 2015).

The *management approach* in this type is associated with structural separation, i.e. *differentiation* to better align with the external stakeholders most relevant to the organizational operation (Battilana et al., 2017). Fossestøl, Breit, Andreassen, and Klemsdal (2015) examine this management response in an organizational type that shows a low hybridization or does not inherit hybridization at all. They observe that logics were only exercised in separate systems, aiding hybrids with a high social orientation to gain legitimacy from critical constituencies especially when the hybrid combination is novel or socially taboo. With regard to the high social and low financial orientation in this type, the differentiation strategy is a tool to disrupt and mitigate the resistance to change.

Ambiguous organization. Finally, the last hybridization type inherits the central *characteristic* of a *low social and low financial orientation*. With neither a dominant market nor social logic, there is an indecisive adherence to dual demands. Following the argument of centrality, it is evident that both *logics are a means rather than strategic goals* (Smith & Besharov, 2019). The focus on means further implies that the ambiguous type follows an orientation that has an inherent meaning, but is not translated into and communicated through distinct goals. As such, this type signifies NPOs that do *not follow a clear strategic direction* as the social and financial orientations both occupy a minimum value (Pache & Santos, 2010; Smith & Besharov, 2019).

Accordingly, *tensions* in the ambiguous type arise as consequences of the characteristics of vertical alignment due to the low social and low financial orientation, as well as the focus on means (Litrico & Besharov, 2019). A missing strategic orientation *risks misalignment with external and internal stakeholders* when stakeholders do *not perceive* the

actual orientation of the organization, leading to identity tensions of belonging (Kodeih & Greenwood, 2013; Smith et al., 2013). Consequently, *stakeholders are unable to identify with either the social mission or the business venture* (Tracey et al., 2011). Moreover, tensions of organizing emerge, as the low strategic orientation prevents *the articulation of clear objectives* to which processes or specific practices can be aligned.

Considering the focus on means, the *management approach* is proposed as a *combination* of integration and differentiation. For example, Fiol et al. (2009) offer a staged model of differentiating and integrating management approaches. First, differentiation strengthens each subgroup's identity. Second, integrating enables subgroups to find common ground and avoid conflicts. In the context of the ambiguous organization, differentiation thereby enables a clarification of the means and higher identification of relevant stakeholder groups.

In the next section, we conceptualize the vertical and horizontal fit that is likely to appear as an outcome of each hybrid nonprofit type. We suggest that the focus of SHRM fit will depend on the management approach to tensions arising from the combination or prioritization of social and financial orientation.

Advancing a Framework and Propositions on SHRM in Hybrid Nonprofit Types

SHRM is defined as “the pattern of planned human resource deployments and activities intended to enable the firm to achieve its goals.” (Wright & McMahan, 1992: 298). The dominant emphasis in SHRM is a consistent management of the human resources that is in line with the organization's strategic goals (Bowen & Ostroff, 2004; Ostroff & Bowen, 2016). Hereby concepts of vertical and horizontal fit of HRM practices present a view of HRM as both adapting to external challenges and ensuring internal alignment of HR practices to address these demands (Baird & Meshoulam, 1988; Schuler & Jackson, 1987). In this vein, HR scholars suggest that both vertical and horizontal fit should govern HR strategy (Banks & Kepes, 2015; Han, Kang, Oh, Kehoe, & Lepak, 2019; Kehoe & Han, 2020).

Vertical and Horizontal fit in SHRM

As stated above, a *vertical fit* is a proxy for the capability of HRM to understand the strategy of the organization and serve its strategic needs, which can be characterized by dual, competing logics or the dominance of financial or social strategic priorities. Depending on whether the different goals are integrated, differentiated, or both bridged and segmented at same time, a vertical fit in the strategic HR orientation ensures a consistent link between the HRM system and the environment by filtering the environment of the overall strategic agenda (Arthur & Boyles, 2007; Delery & Doty, 1996). An HR system comprises the design of HR practices in which an organization defines objectives for managing human resources (Arthur & Boyles, 2007). High performance work systems are one example of bundles of synergistic HR practices related to organizational performance that combine employee skills, organizational structures, and employee motivation (Boxall & Macky, 2009); whereas, other HR systems focus on high involvement HRM (Guthrie, 2001), and commitment-oriented HRM (Arthur & Boyles, 2007; Lepak & Snell, 2002). Recently, scholars have raised concerns that the theoretical and practical relevance of fit-related research might be undermined by a singular stakeholder focus, a focus on a best practice system, or the disregard of sustainability aspects (Aust, Matthews, & Muller-Camen, 2020; Beer et al., 2015; Jackson, Schuler, & Jiang, 2014). In addition, HR scholars emphasize the challenge of how the same HR system can support different strategic goals, which naturally occur in dynamic and complex organizations (Chadwick, Way, Kerr, & Thacker, 2013; Kehoe, 2021). This context highlights the relevance of adaptive fit which describes the incorporation of the dynamic environment into strategic alignment (Boon, Boselie, Paauwe, & Den Hartog, 2007; Chakravarthy, 1982).

Horizontal fit is concerned with the internal consistency and complementarity of HR systems and practices (Han et al., 2019). The horizontal fit implies that complementarity with other practices increases the effectiveness of each HR practice (Banks & Kepes, 2015; Delery & Doty, 1996; Guest, 2011). To legitimize the combination and inclusion of HR practices in a

single HR system, the literature has focused on emphasizing commonalities and synergies among these practices (Sun, Aryee, & Law, 2007) implicating that horizontal fit can only be achieved between HR practices that conform to a single underlying logic (Kehoe, 2021). However, recent research emphasizes horizontal fit within and among HR systems that does not fit into this single logic perspective. For example, Wright and Essman (2021) and Su, Wright, and Ulrich (2018) suggest that combining commitment- and control-based HR practices can lead to positive synergies in terms of horizontal fit.

Taking up these new perspectives within SHRM fit, we propose vertical and horizontal HR system fit that can support varied (hybrid) strategic goals. We anticipate specific HR systems and bundles of HR practices as important for addressing the chosen goals in hybridized NPOs. We claim that the aforementioned tension management strategies bear implications for an organization's HR function as they shape the vertical and horizontal fit of HR systems and practices in hybrid NPO types. A combination of vertical and horizontal fit is expected to support the strategic orientation of hybridized NPOs and vary in its focus depending on the management approaches of integration, differentiation, and combination. In the next section, we apply the concept of vertical and horizontal fit to hybrid NPO types.

Vertical and Horizontal fit of SHRM in NPO Hybridization Types

Following the outlined insights of the NPO-hybrid literature, we first elaborated a configuration of each hybridization type that included the specific characteristics and typical tensions stemming from contradictory goals and approaches to manage these tensions (Cornelissen, 2017). Second, having identified critical elements of the configuration, we now provide a multidimensional categorization which aims to explain the variance in a dependent outcome (Fiss, 2011). The primary outcome is vertical and horizontal fit in HRM that supports the identified management approach of the specified type. Third, our central focus is to explain the relationship between each hybridized NPO type and the differences in vertical and horizontal fit of HRM (Doty & Glick, 1994). We develop a framework that provides novel

insights into the relationship of management approaches and SHRM and offer propositions that explain the vertical and horizontal fit of SHRM as a response to the management of tensions in NPO hybridized types (See Figure 2).

SHRM in the integrated organization. Given the dual constellation of goals, alongside the multiple stakeholders and beneficiaries in the integrated NPO hybrid type, the main challenge of the *vertical alignment* of HRM is to balance the logics and intra-organizational power struggles through their equal weighting to address social-business tensions. Vertical HRM is responsible for the creation of SHRM structures in which social values, beliefs and norms have to be integrated and calibrated with economic goals (and vice versa). This has consequences for external and internal relationships: Different external and internal stakeholders with divergent needs and goals have to be accorded flexibility. This is a complex task based on professionalized relationships with these stakeholders, beneficiaries or a broader audience in society (Battilana et al., 2017; Santos, 2012). In order to address different stakeholders, the HRM literature suggests that vertical alignment of HRM uses the understanding of the business context to create value inside with employees and the organization and outside with customers, investors, and communities (Ulrich & Dulebohn, 2015). Vertical HR alignment needs to adopt an outside-in approach where the external environment and stakeholders influence what HR does inside the organization (Aust et al., 2020).

As such, vertical HRM provides the structural foundation and the interpersonal relationship of this mutual integration and calibration. This can be illustrated by the study of Smith and Besharov (2019), which highlights structural flexibility in vertically integrating profit- and social-oriented goals and suggests that leaders' cognitive understanding of hybrid alignment can be elicited through the promotion of paradoxical frames as well as the use of guardrails from formal structures and leadership expertise. As a result, vertical alignment

between the operating environment and the strategic orientation of the hybridized organization drives the SHRM approach.

Given the consideration of different stakeholders, goals and values in the integration approach, we propose:

P1a: Hybrid NPOs with an integrated management approach vertically align HRM through HR systems focusing on the structural integration of different stakeholders and values in order to manage social-business tensions.

Based on the strategic HR orientation, the organization has to decide which HR practices (e.g. hiring, socialization, training, job design) are supportive for achieving these balanced dual goals. The main challenge of the *horizontal alignment* is a coherent, consistent and congruent set of practices for managing employees. This is where a combination of mutually supportive HR practices in bundles can help support strategic alignment (Wright & Snell, 2005). This can be supplemented by a study of Signoretti and Sacchetti (2020). In their empirical investigation, they demonstrate how HR systems promote the management of tensions through the integration of social and economic goals. Their exploratory research suggests that work integrative social enterprises (WISE) apply a modified lean HRM approach of social lean production that adapts the people-centered lean principles to the organization's social mission and workforce needs and capabilities. Moreover, a social lean production assures that economic sustainability is part of the organization's mission too (Signoretti & Sacchetti, 2020). In a similar vein Kellner, Townsend, and Wilkinson's (2017) study shows that NPOs balance "the mission and the margin" through alignment of values and a performance-based HRM system. To ensure the equal balance of the different goals, the NPO hired directors for mission and HR who had to work closely to integrate the values into the high performance work system. Moreover, HR systems are focused on achieving performance and value-based outcomes through specific measures adequate for each part of the equation (e.g., performance goals and social goals).

These studies illustrate that the horizontal alignment has to be calibrated according to the balanced dual goals. Other dual goal HR practices focus on a combination of hiring, socialization, and training. Battilana and Dorado (2010) emphasize hiring inexperienced employees and socializing these workers into dual logics helped to overcome tensions between groups who were socialized by a specific logic, whether commercial or social. In addition, Lee, Zhang, Dallas, and Chin (2019) suggest that social enterprises should employ participatory HRM practices such as information sharing, and open communication to manage hybridity tensions as these practices facilitate communication between employees and between the organization and its employees to reduce relational conflicts. In a similar vein, work organization and change management constitute a bundle of HR practices that integrate conflicting goals and values. Employees identify with different salient aspects of the organization that are central to their self-concept and tend to follow different work practices. In terms of horizontal fit, these socialized work practices have to be integrated. Fossetøl et al. (2015) identified a strong horizontal integration of separated services in public front-line service organizations. This not only included the horizontal alignment of development practices but also the alignment of change management practices, e.g. breaking routines and engaging employees in integration efforts to support the innovative orientation towards both logics.

Given that conflicting goals, norms, and values require a coherent set of HR practices, bundles of HR practices are orientated toward the strategic vertical alignment. By that, the dual orientation in vertical alignment requires the calibration of workforce management, performance management, and the integration of hiring, socialization, and training. As research in this realm is scarce, future investigations will likely identify other bundles as well. Consequently, we propose the following with regard to the contribution of horizontal fit in managing internal tensions:

P1b: Hybrid NPOs with an integrated management approach orientate HR bundles toward the calibration of dual goal HR practices in order to manage social-business tensions.

SHRM in the pro-business organization. The main challenge of the *vertical alignment* in the pro-business hybrid NPO type is to address mission drift as a threat to organizational legitimation. This is achieved through a strategic HR orientation in which the goals are differentiated, thus allowing for variation rather than consistency. To accomplish differentiation, Bromberger (2011) maintains organizations create two distinct legal entities, one for-profit organization that pursues commercial activities and one NPO that carries out the social mission. In a pro-business hybridized NPO, this could entail differentiating between fee-based activities that subsidize the charitable activities in the organization. Differentiation implies stakeholder engagement in separate profit and social-oriented systems that enables organizations to address performing tensions of mission drift. Ramus and Vaccaro (2017) emphasize that stakeholder engagement helps to rationalize and embody the previously abandoned pro-social values. Social accounting reinforces this embodiment process by showing the reintroduced social commitment to external audiences. Yet, strategies, which are only focused on social accounting without any significant engagement of external stakeholders, were shown to fail to reintroduce and operationalize pro-social values and objectives. Organizations in this type are more likely to follow profit and social strategies by designing separate financial performance-oriented HR systems which create organizational structural characteristics that support the workforce requirements of this chosen strategy (Kehoe & Collins, 2008). Considering the context of a pro-business type, it can be argued that the application of attuned systems can provide an answer to mission drift by promoting mission identification (Dorado et al., 2021). At the same time, this approach also considers the current labor market conditions (e.g. compensation structures, incentive systems) and thus ensures that adapting to them lowers the turnover intentions, especially of well-qualified employees.

Given the differentiation of social goals and commercial activities in the pro-business approach, we propose:

P2a: Hybrid NPOs with a differentiated management approach vertically align HRM through differentiated HR systems that reintroduce social values in order to manage social-business tensions.

Based on the differentiation strategy, the choice and design of HR practices is to be adapted accordingly. The organization has to decide which HR practices coherently support reintroduced pro-social values. In terms of the *horizontal alignment* of systems and practices, a missing identification of individuals with their new business oriented practices or new role description is the most critical issue in organizational types that implement profit-oriented goals (McGivern et al., 2015). The pro-business type needs to reconsider socially-oriented HR systems that can mitigate against mission drift by focusing on developing employee motivation and identification with achieving the organization's social values. However, drawing attention to the challenges of implementing separated HR systems, Dorado et al.'s (2021) study shows how abandoning the dominant incentives-based compensation system for HR practices that foster mission identification led to employees leaving the social enterprise. Therefore, they propose an attuned HR system for social enterprises that should be adapted to the conditions on the labor market to support the adeptness of a social enterprise to operate against established industry norms (Dorado et al., 2021). Here, the identity work, understood as the work individuals engage in to maintain a state of optimal balance between personal and social identities (Kreiner, Hollensbe, & Sheep, 2006; Snow & Anderson, 1987; Sveningsson & Alvesson, 2003), is integral in these HR practices. Identity work entails the activities aimed at creating, repairing, maintaining or revising identities, thereby avoiding negative outcomes such as disidentification and employee turnover. By reducing perceived identity threats, identity work is the central means through which individuals reconcile tensions between personal and social identities, professional roles, and during role transitions that are visible and deviate from institutionalized social norms (Kreiner et al., 2006).

Given the risk of a neglect of social values, a coherent set of HR practices is required which reduces threats to social identity at work and develop pro-social behaviors. Therefore, we propose the following with regard to the contribution of horizontal fit in managing internal tensions:

P2b: Hybrid NPOs with a differentiated management approach re-orientate HR bundles toward pro-social identity work in order to manage social-business tensions.

SHRM in the pro-social organization. Given the unbalanced social and profit-oriented goals and a differentiation approach to reduce tensions of resistance and ability to change in the pro-social hybrid NPO, the *vertical alignment* of SHRM is accordingly differentiated and allows for variation. Similar to the pro-business type, this differentiation entails stakeholder engagement in both, albeit separated profit and social-oriented systems that address these tensions. Yet, the main challenge of the vertical HRM concentrates on stakeholder requirements from the for-profit realm. The translation of these market demands into the organizational strategy can be further directed to the strategic HR orientation in designing separate profit-oriented HR systems. The design of this system does not permit a combination of coherent HR practices for both logics. Again, structural flexibility and spaces of negotiation enable organizations to overcome the tensions (Battilana et al., 2015; Smith et al., 2012). Especially with regard to members' openness to diverse logics, their ability to cope with integrating new managerial practices, and their awareness of the interdependencies, this can facilitate implementation of separate profit-oriented HR systems. In this context, the promotion of absorptive capacity is also essential in order to exploit new business opportunities (García-Sánchez, García-Morales, & Martín-Rojas, 2018).

Given the differentiation of social goals and commercial activities in the pro-social approach, we propose:

P3a: Hybrid NPOs with a differentiated management approach vertically align HRM through differentiated HR systems that integrate business-like logics in order to manage social-business tensions.

In the pro-social hybrid type, the *horizontal alignment* of systems and practices oriented towards the emphasis of social goals is similar to the pro-business type but addresses the opposite goals. Bundles of HR practices concentrate on the (partial) change of the existing strong pro-social value orientation. Battilana et al. (2015), for example, emphasize that hiring people who all previously worked in the same sector increases the risk of tensions, as employees are likely to slip into the habits and skills from their previous work. Employees with a social work background have skills that fit the demands of the social sector but do not fit with the commercial sector. Instead, hiring managers and employees with diverse experience enables a better understanding of business processes in the organization. A second related bundle of HR practices is change management. Walk et al. (2014) indicate that historically developed HRM policies and practices are difficult to revise as they are regarded as an asset of NPOs. Thus, given the missing ability to integrate profit-oriented values and goals, a focus on change management in HRM can support the introduction of practices that differ from the existing ones.

Given the risk of a neglect of financial goals, a coherent set of HR practices is required for new employees and work organization. Therefore, we propose the following with regard to the contribution of horizontal fit in managing internal tensions:

P3b: Hybrid NPOs with a differentiated management approach re-orientate HR bundles toward developing business-related structures and adaptive skills in order to manage social-business tensions.

SHRM in the ambiguous organization. As mentioned above, in the absence of strategy in this ambiguous hybrid NPO type, there is a risk that external and internal stakeholders will not recognize the organizational orientation because objectives are unclear or

not formulated at all (Kodeih & Greenwood, 2013). This leads to tensions due to impeding the alignment of processes and practices, and results in stakeholders not being able to identify with either the social mission or the business venture (Tracey et al., 2011). Given the dual constellation of social and profit means as well as integrating and differentiating management approaches to address tensions, *vertical alignment* has to consider a HR orientation in which both approaches are combined. The hybrid literature offers insights as to how a combination of HR systems may be utilized in organizations that are focused on means. Smets, Jarzabkowski, Burke, and Spee (2015) illustrate this combination in their study of brokers working in the reinsurance market. Although adhering to both market and community institutional logics, the brokers did not integrate the logics in their daily work practices. Rather, they combined both differentiating and integrating practices to manage the tensions between logics.

Given the combination of differentiating and integrating social and business goals in this hybrid NPO type, we propose:

P4a: Hybrid NPOs with a combination management approach vertically align HRM through differentiated and integrated HR systems that clearly combine social and business-like logics in order to manage social-business tensions.

Regarding *horizontal alignment*, there is little evidence about which bundles can be identified in HR systems in the ambiguous NPO hybrid type. However, there are significant demands imposed on management due to unclear orientations. Managers are required who understand both directions and can deal with the resulting ambiguity. Thus, management and leadership skills are essential bundles in this NPO type. Recalling Besharov's (2014) study, a hybrid enterprise hires 'idealists', who are in sync with the company's social mission, while the 'capitalists' are responsible for generating profits and growth for shareholders. Yet, the store manager who combined both missions functioned as a necessary condition for mitigating conflicts. Having managers who are able to combine and understand the importance of both social and profit logics in their work can reduce conflict between these two groups.

Furthermore, studies demonstrate how organizations with separate subunits address tensions between these units by developing integrative senior leadership practices (O'Reilly & Tushman, 2008; Smith & Tushman, 2005). For example, when leaders adopt a paradoxical frame enabling them to have a both/and mindset regarding competing goals such practices can be facilitated (Smith & Tushman, 2005). Finally, such managers can compensate the focus on means, for example, by providing orientation or guidance for employees to pursue dual goals through their own actions, values, and behavior (Pasricha, Singh, & Verma, 2018).

Given a low orientation on business and social goals, a coherent set of HR practices is required that focuses on management and leadership skills. Therefore, we propose the following with regard to the contribution of horizontal fit in managing tensions:

P4b: Hybrid NPOs with a combination management approach re-orientate HR bundles toward developing both management and leadership skills in order to manage social-business tensions.

Discussion and Conclusion

This study set out to examine the contribution of SHRM in managing social-business tensions in hybrid NPO types. Drawing on the above insights, we present a framework conceptualizing how the vertical and horizontal fit of HR systems and practices addresses the management of these tensions from multiple, conflicting goals in hybridized NPOs. This framework is based on a coherent set of characteristics, tensions and management approaches (see Figure 1), and we propose how this leads to distinct configurations of vertical and horizontal HRM (see Figure 2). We now discuss the driving forces of HRM designs and HR bundles that result from the approaches to managing social-business tensions in these organizations.

Insert Figure 2 about here

The figure illustrates that nonprofit hybrid types bear distinctive characteristics and tensions, which in turn call for different management approaches and have an impact on the vertical and horizontal alignment of HR systems and practices. In this regard, we propose that the contribution of SHRM differs according to the hybridized NPO types and their tensions.

Regarding *vertical fit*, it is evident that all four types demonstrate a strong stakeholder focus. This is not surprising as multiple, often contradictory stakeholder demands are one of the main origins of tensions in NPOs (Donnelly & Hughes, 2022; Ridder et al., 2012; Ridder & McCandless, 2010). Thus, we suggest that an appropriate stakeholder management in hybrid types includes their balanced consideration in strategies. For example, García-Sánchez et al. (2018) emphasize investing into stakeholder integration capability to establish collaborative relationships. Moreover, the implementation of market mechanisms can foster the involvement and empowerment of stakeholders (Santos, 2012).

In integrated organizations, there is a broad spectrum of relationships with external and internal stakeholders and competing goals have to be calibrated. The design of the HR systems focuses on the structural integration of these different demands. The pro-business type risks mission drift and HR strategy has to reintroduce social values in the design of HR systems. The pro-social organization needs to translate the new business-like demands with consequences for acquiring new management skills in mitigating resistance to change and focusing on stakeholder requirements from the for-profit realm. Ambiguous organizations need to clarify their strategic orientation and combine HR systems from both realms. This is in sharp contrast to the differentiation approach in the pro-business and pro-social hybridized NPO types.

These orientations lead to unique HR systems and combinations of practices in all of the types. We found that this variation depends on the chosen approach to manage tensions. In differentiation, vertical alignment is characterized by spaces of negotiation, thereby mitigating conflicts between subgroups with regard to the different logics and value systems (Jay, 2013).

In integration and separation, structures and processes are outlined with regard to balancing modes and paradoxical thinking. Tension management is the eye of the needle of how to design appropriate HR systems and practices. Hybridized NPOs are – in so far – a living experiment of how SHRM acts and reacts to new and heterogeneous strategic demands.

In *horizontal fit*, we identified bundles of HR practices according to their bottlenecks. In the integrated type, the management approach aims at combining dual goal HR practices. In the pro-business type, identity work (McGivern et al., 2015) is key to managing tensions from mission drift or the adoption of social goals (Ramus & Vaccaro, 2017). Employees identify with their employer when HRM practices are articulated around an appropriate and identifiable core set of values (Purcell, Kinnie, Hutchinson, Rayton, & Swart, 2009). In contrast, in the pro-social type change management practices that foster adaptive skills are essential for altering routines and enable work practices across incompatible logics (Reay & Hinings, 2009). In the ambiguous type, the enhancement of management and leadership skills through HR practices is crucial to compensate tensions caused by the absence of strategy.

Taken together, our conceptual foundation offers configurations and relationships that are useful for the understanding of variance in HRM-related management of social-business tensions. In addition, we offer a conceptualization that explains how and why the categorized elements of hybrid types affect the vertical and horizontal fit of HRM. However, there is still little evidence about HR practices within these types. Especially the ambiguous type requires further research about its relationships and how to address tensions through HRM. Thus, our conceptual approach offers a platform for further empirical research and theorizing.

Our article offers several contributions. First, adopting an SHRM lens, we add to the current debates on hybridization in NPOs by providing further insights into their tension management strategies (Dorado et al., 2021; Litrico & Besharov, 2019; Ramus & Vaccaro, 2017). We show how the concept of fit in SHRM contributes to a better theoretical understanding of tension management approaches in variants of hybrid organizations (Battilana

et al., 2017; Litrico & Besharov, 2019). Extending the literature on SHRM in NPOs, we direct attention to the design of strategic vertical and horizontal fit that can support nonprofit hybrid types in achieving dual goals or in managing the prioritization of goals (Baluch & Ridder, 2020; Defourny & Nyssens, 2017; Ridder & McCandless, 2010).

Second, we develop a novel framework that conceptualizes how the vertical and horizontal fit of HR systems and practices addresses these tensions, thereby informing and stimulating future research on SHRM in hybridized NPOs. By relating strategic vertical and horizontal HRM approaches to managing tensions in types of hybrid nonprofits we explain how HRM systems and practices are strategically embedded in a broader context replete with heterogeneous stakeholder purposes and societal demands (Donnelly & Hughes, 2022; Snell & Morris, 2021). We highlight stakeholder engagement and structural flexibility as an antecedent of vertical fit. Our framework indicates that in all four types, differences in horizontal fit are likely according to the tensions. Different bundles of HR practices were identified that focus on developing particular skills and structures to address tensions of hybridization in NPOs. Further research is needed that examines these bundles (Battilana & Dorado, 2010), especially where the design of HR systems does not permit a combination of coherent HR practices for both financial and social logics, but needs to accommodate for variation and complexity (Snell & Morris, 2021). Moreover, future research on the influence of a broader political economy perspective can shed further light on the alignment of HR systems and practices as the boundaries between sectors, institutions and organizational forms continue to blur (Vincent, Bamber, Delbridge, Doellgast, Grady, & Grugulis, 2020).

Overall, by addressing the diversity of hybrid types and their tensions, our article highlights distinct fit perspectives that can contribute to the management of different nonprofit hybrids. By specifying the concept of strategic HRM fit to more fully reflect the realities of contemporary organizations, our study adds to recent debates on alignment perspectives in SHRM (Chadwick et al., 2013; Lopez-Cabrales & Valle-Cabrera, 2020; Snell & Morris, 2021).

Considerations of fit and how to (re)orientate SHRM in hybridized NPOs can thereby help us to better understand how these organizations can address societal challenges more effectively.

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Figure 1

A Typology of Nonprofit Hybridization Types

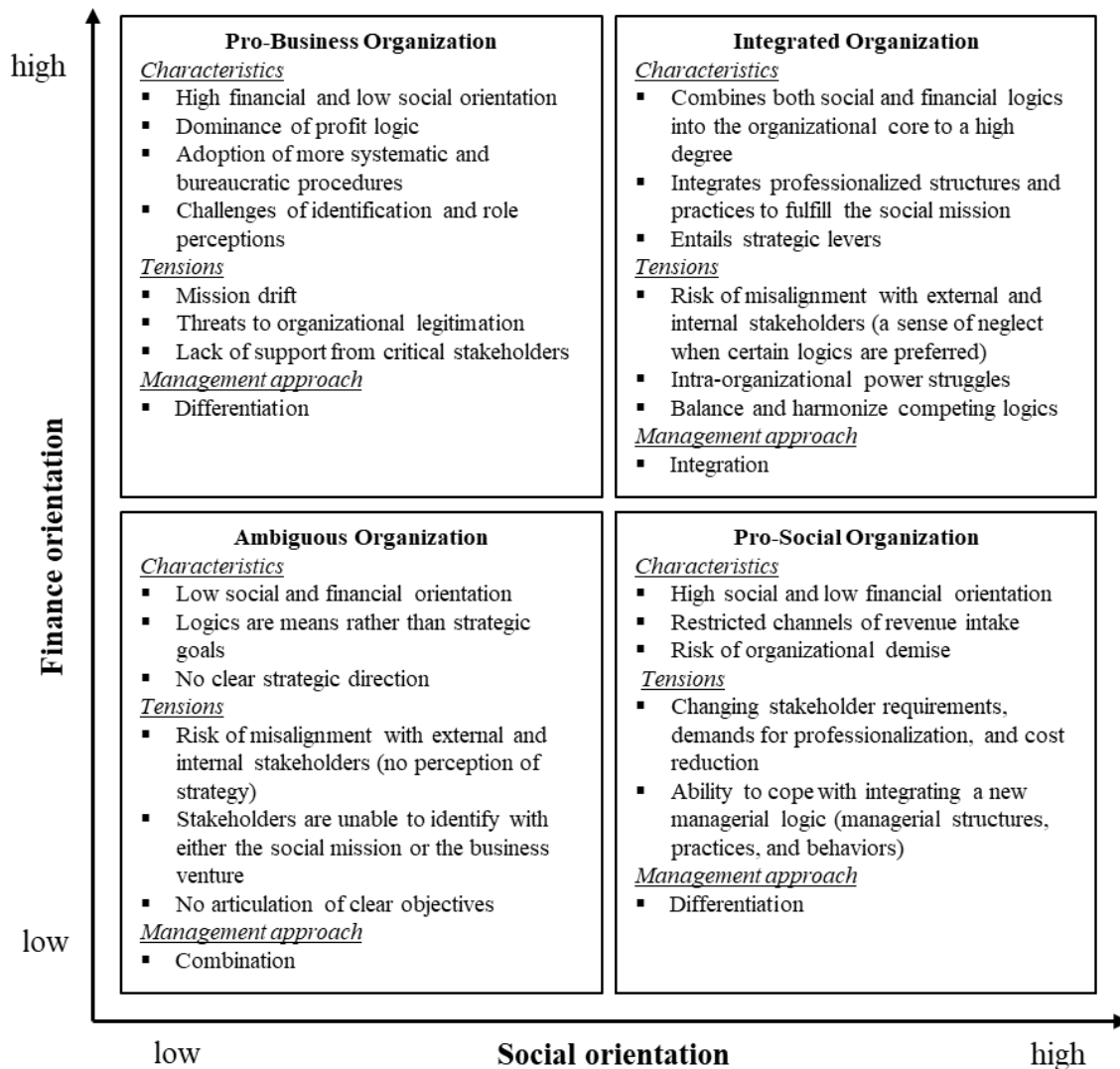
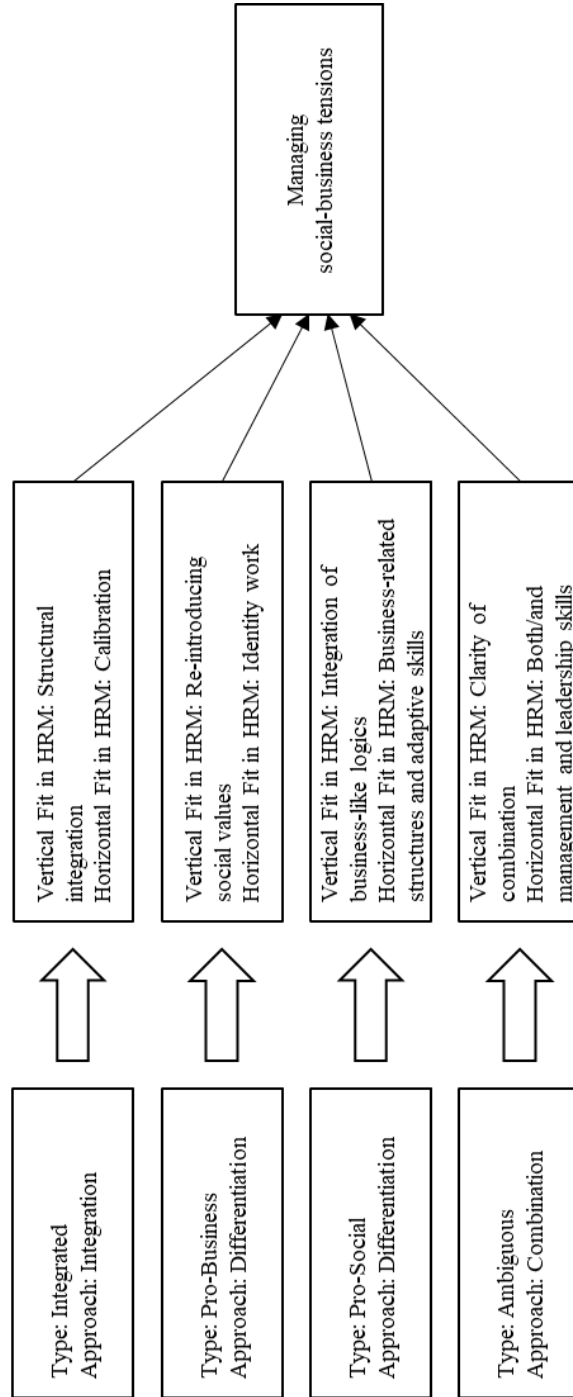


Figure 2
Relationships of Hybrid Types, Tension Management Approaches, and Fit in Strategic Human Resource Management



Paper 3

Combining Competing Logics within Nonprofit Organizations: The Influence of Hybridization Capabilities on the Emergence of Intraorganizational Hybridization Differences

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Combining Competing Logics within Nonprofit Organizations: The Influence of Hybridization Capabilities on the Emergence of Intraorganizational Hybridization Differences

Abstract

Hybridization, that is the adaptive response by organizations to environmental uncertainty, can increase the capacity of NPOs to act in dynamic and complex task environments. However, the nonprofit and hybrid literature emphasize tensions of hybridization that emerge from hybridization differences concerning the combination of institutional logics within the organization, such as social welfare and profit logics. In this regard, previous research has focused primarily on the relationship between different logic combinations and the emergence of tensions paying little attention to influences on the logic combination itself. Studying three units within a German nonprofit organization that undergoes hybridization this study addresses this gap. Adopting a dynamic capabilities perspective, this study contributes to theory building in the field of nonprofit hybridization in developing a capabilities based framework. Specifically, the findings suggest that how profit and social welfare logics are combined is influenced by *hybridization capabilities*, referred as the capabilities to explore, to assess and to align new forms of logic combination. The findings show that due to differences in the manifestation of these hybridization capabilities in the embedded units, differences occurred in the way logics were combined explaining intraorganizational hybridization differences. The insights gained from this study thus extend our understanding about the complexity of logic combination and provide approaches for further theory development on nonprofit hybridization.

Keywords: *Nonprofit hybridization, logic combination, nonprofit management, hybridization capability, intraorganizational hybridization differences*

Introduction

The hybridization of nonprofit organizations (NPOs) is a widespread phenomenon that has increasingly attracted scholarly attention (Brandsen & Karré, 2011; Sandberg & Robichau, 2022; Smith, 2010; Suykens, Rynck, & Verschuere, 2020). Minkoff (2002) describes organizational hybridization as an adaptive response to environmental uncertainty. The nonprofit literature also describes hybridization as "marketization" (Eikenberry & Kluver, 2004; Salamon, 1993), "rationalization" (Hwang & Powell, 2009; Reisman, 2018) or becoming "business-like" (Dart, 2004; Maier, Meyer, & Steinbereithner, 2016). To examine this phenomenon, existing research on nonprofit hybridization has focused on the combination of institutional logics such as commercial and social welfare logics i.e the integration of profit logics to existing social welfare logics (Battilana, Besharov, & Mitzinneck, 2017; Besharov & Mitzinneck, 2013; Litrico & Besharov, 2019; Pache & Santos, 2013a). Institutional logics refer to taken-for-granted beliefs and practices that once integrated into the organization shape and guide the behavior of individuals (Friedland & Alford, 1991; Thornton & Ocasio, 1999). Following this understanding, this study considers nonprofit hybridization as the (re)combination of the profit and social welfare logic composition, which influences the behavior and action of the organization and its individuals.

Research show that once combined within the organization, hybridity can increase the capacity of NPOs to act in dynamic and complex task environments (Krlev & Anheier, 2020) and is central to organizational innovation (Alberti & Varon Garrido, 2017; Tracey, Phillips, & Jarvis, 2011). Nevertheless, studies also emphasize that the combination of logics leads to tensions as the introduced hybridity contains that the values of social well-being become tainted by the integration of profit logics (Doherty, Haugh, & Lyon, 2014; Mair, Mayer, & Lutz, 2015; Powell, Gillett, & Doherty, 2019). Therefore, previous studies have focused on this relationship and have provided significant insights regarding the investigation of different logic

combinations and their influence on the emergence of tensions (Battilana & Dorado, 2010; Pache & Santos, 2013a; Smets, Jarzabkowski, Burke, & Spee, 2015).

However, research that focuses on the factors or mechanism that influence logic combinations itself is scarce (Min, 2022; Suykens, Rynck, & Verschuere, 2019a). This is surprising, given that researchers are aware of these differences in logic combinations. For example, the study of Besharov and Smith (2014) shows that logics can differ with regard to their centrality and compatibility. Additionally, the findings of Battilana et al. (2017) and Ebrahim, Battilana, and Mair (2014) emphasize that logics can differ in the extent of their integration throughout the organization and its entities. More recently, Litrico and Besharov (2019) indicate a variation in hybrid forms along the dimensions of the locus of integration and the scope of logics.

Although these studies provide significant insights into the variety of different logic combinations, they remain vague as to how and why these differences occur. However, gaining a better understanding of this issue is important as differences in hybridization, i.e. how logics are combined, leads to tensions (Battilana, Sengul, Pache, & Model, 2015; Smith & Besharov, 2019; Smith, Gonin, & Besharov, 2013).

Research within the context of nonprofit hybridization highlights that differences in logic combination occur because NPOs are complex entities, consisting of various units, departments, and divisions with different structures, tasks, and underlying logics (Kerlin & Reid, 2010; Litrico & Besharov, 2019). Recently, research started to attribute the capacity as well as the ability of nonprofits to commercialize, in a narrower sense their organizational capability as influence on logic combination (Reisman, 2018; Skelcher & Smith, 2015; Suykens et al., 2019a). For example, Gras and Mendoza-Abarca (2014) describe the importance of nonprofits being able to exploit market-based opportunities. Additionally, Suykens et al. (2019a) emphasize that organizational characteristics, such as organizational origin, professional capacity, and types of tasks can either enable or disable the nonprofits ability to

commercialize. Similarly, the literature on hybridization suggests that organizations need the capability to separate from old (social welfare) logic structures in order to integrate new (profit) logic structures. In that context, Battilana and Dorado (2010) suggest that the embeddedness in a dominant logic, such as a prevailing social welfare logic, may hinder the hybridization efforts of organizations. They emphasize that actors who are embedded within a dominant logic may have difficulties in conceiving variants of incompatible logics, especially in early phases of hybridization, when the new hybrid form is not yet considered as legitimate (Battilana & Dorado, 2010). Similarly, Skelcher and Smith (2015) and Svensson, Andersson, and Faulk (2020) characterize nonprofit professionalization with regard to the organizational capacity that supports entrepreneurial behavior.

These studies acknowledged the importance of organizational capabilities for hybridization respectively the (re)combination of logics. As such, investigating this relationship could be essential for understanding and explaining how and why hybridization differences in nonprofit organizations occur.

Thus, this study relates to a capability approach by asking the research question *how and why do organizational capabilities lead to differences in logic combinations in nonprofit organizations*. For this aim, this study draws on an embedded single case study (Yin, 2014). Specifically, the logic combination of three embedded units within a German nonprofit organization, hereafter referred to as AidCorp, are explored. Building on the assumption that the capabilities to combine profit and social welfare logics will differ within the embedded units leading to differences in their hybridization level, this research design is considered particularly appropriate to address the research question.

To guide the empirical investigation, this study applies a dynamic capabilities perspective. Specifically this study draws on the dynamic capability dimensions of sensing, seizing, and reconfiguration by Teece (2007). This perspective offers insight into how organizations can change their existing resources, structures, and routines, what capabilities are

required to do so, and how new resources, structures, and routines can be configured to generate a competitive advantage (Matysiak, Rugman, & Bausch, 2018; Schilke, Hu, & Helfat, 2018; Teece, 2007). Thus, integrating a dynamic capabilities perspective into the context of nonprofit hybridization promises new insights into how and why differences in logic combination and consequently hybridization differences occur. Exploring the relationships between organizational capabilities and logic combination, this study contributes to theory building by extending the growing body of (nonprofit) hybridization (Litrico & Besharov, 2019; Sandberg & Robichau, 2022; Suykens et al., 2020).

By exploring in-depth how and why embedded units combine logics differently, the central contribution of this study is the development of an empirically grounded framework that illustrates the influence of *hybridization capabilities* on the emergence of *intraorganizational hybridization differences*. This study contributes to our understanding of the emergence of variation in nonprofit hybridization by showing that high hybridization capabilities are necessary to perform the (re)combination of logics in the first place. Hereby, the findings suggest that differences in the combination of logics, visible in intraorganizational hybridization differences, can be related especially to seizing capabilities concerning the high or low development of the capabilities to assess value to the logic combination. By examining how and why capabilities influence logic combination and lead to the emergence of intraorganizational hybridization differences, this study provides an avenue for further theory development regarding nonprofit hybridization.

Theoretical Background

A review of the literature indicates that realizing logic combination is important for NPOs to thrive. For instance, research indicates that, compared to traditional nonprofit organizations, hybrids possess better managerial control, better address contemporary social problems, such as societal demographic changes or poverty issues, and could deal more effectively with conflicting institutional logics (Besharov & Mitzinneck, 2013; Binder, 2007;

Litrico & Besharov, 2019; Markström & Karlsson, 2013; Skelcher & Smith, 2015; Smith, 2014). Moreover, nonprofit hybrids that are integrated into a broader range of logics can more easily gain the support of a greater number of stakeholders because they are more likely to be able to at least partially address the needs of multiple institutional referents (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Kraatz & Block, 2013; Pache & Santos, 2013b).

However, these positive effects are undermined by the creation of tensions (Smith et al., 2013; Smith & Lewis, 2011). Tensions of hybridization arise from the combination of different logics, identities, and values that are inherently incompatible. In addition, the nonprofit literature indicates that tensions caused by an overemphasis on profit logics can cause the organization to lose sight of its core social mission (Wolf & Mair, 2019). This development, known as mission drift (Cornforth, 2014), is a threat to the existence of nonprofits (Doherty et al., 2014; Ebrahim et al., 2014). Given these effects, both positive and negative, it is not surprising that the way through which logics are combined in the organization and the effects that distinct combinations produce have attracted considerable interest in both nonprofit and hybrid research. For example, Besharov and Smith (2014) indicate that multiple social and profit logics can differ in their compatibility and centrality within an organization. Logics can also differ in the extent of their integration as being either integrated throughout the organization or assigned to separate entities (Battilana et al., 2017; Ebrahim et al., 2014). Furthermore, Litrico and Besharov (2019) identified the locus of integration and the scope of logics as two dimensions along which a hybrid form can vary over time.

Recently, Skelcher and Smith (2015) suggest that the literature should characterize the commercialization of NPOs less as the result of external pressures but that organizational capacity should also be of scholarly interest, in this regard provided initial insights. Similarly, Svensson et al. (2020) suggest that organizational capacity supports entrepreneurial behavior. Additionally, Suykens et al. (2019a) complement resource dependence theory with insights

from contingency theory, suggesting that NPO hybridization is influenced by organizational characteristics such as organizational origin, professional capacity, or type of tasks when resource uncertainty is similar. Moreover, Gras and Mendoza-Abarca (2014) describe the importance of nonprofits being able to exploit market-based opportunities.

Although these studies emphasize capability related influences to add (economic) value by departing from old logic (combinations) to explore new possibilities for combination, insights into the influence of capabilities on logic combination are still limited. To date, no integrated model or theory has yet emerged from this research that addresses capabilities for hybridization.

However, knowing how organizational capabilities influences logic combination is crucial because nonprofits need to be able to perform logic combination to remain competitive in their organizational environment (Besharov & Mitzinneck, 2013; Litrico & Besharov, 2019; Suykens, Rynck, & Verschuere, 2019b). Furthermore, it is essential to gain a better knowledge of the emergence of hybridization differences, as these are sources for tensions. As such, investigating the relationship of organizational capabilities and logic combination should be considered a key aspect of nonprofit research to identify the sources of hybridization differences.

To indicate where relevant evidence can be found and to guide the investigation (Eisenhardt, 1989), it will be drawn on the dynamic capabilities dimensions of *sensing*, *seizing*, and *reconfiguration* by Teece (2007) further developed from Teece, Pisano, and Shuen's (1997) dynamic capabilities perspective. The literature review leads to propose that the dynamic capabilities perspective can help to fill the research gap since it firmly locates the study of logic combination within a well-developed theoretical tradition (Ambrosini & Bowman, 2009; Easterby-Smith, Lyles, & Peteraf, 2009; Teece, 2014). Thus, this theoretical lens helps to more accurately measure constructs during subsequent data collection and analysis (Eisenhardt, 1989; Ridder, 2017).

The capabilities literature indicates that dynamic capabilities defined as “the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece, Pisano, & Shuen, 1997: 516), are change-oriented capabilities that influence adaptation to external and internal changes, such as customer demands or competitive strategies, thus creating a competitive advantage (Fainshmidt, Wenger, Pezeshkan, & Mallon, 2019; Zahra, Petricevic, & Luo, 2022). Eisenhardt and Martin (2000) refer to dynamic capabilities as firm processes, such as the integration, reconfiguration, extraction, and release of resources that are relevant to adapt to and even bring about market changes.

The concept of dynamic capabilities has attracted attention in the literature as they are of importance when the environment is unpredictable and organizations are challenged to revise their structures and routines (Wilhelm, Schlömer, & Maurer, 2015). The role of dynamic capabilities here is to modify an organization's existing resource base and, consistent with strategic assumptions, reshape it to create a new bundle or configuration of organizational resources (Ambrosini & Bowman, 2009; Helfat & Peteraf, 2009). Teece (2007) further elaborates and differentiates dynamic capabilities into the ability to sense opportunities and threats, to seize opportunities, and to maintain competitiveness by reconfiguring organizational assets.

The dimension of *sensing* refers to a variety of activities and include scanning, learning, assessment, and interpreting opportunities of the organizational environment (Kump, Engelmann, Kessler, & Schweiger, 2018; Makkonen, Pohjola, Olkkonen, & Koponen, 2014; Pavlou & El Sawy, 2011). Sensing activities focus, for example, on identifying specific customer needs and the development of markets as well as the reactions of suppliers and competitors (Teece, 2007, 2018). Moreover, besides the recognition of opportunities, sensing includes anticipating competitive threats (Helfat & Peteraf, 2015).

The *seizing* dimension refers to activities that describe the implementation of identified opportunities and involve the mobilization of internal and external resources and competencies

(Teece, 2007). Here, exploitation refers to the development and selection of business opportunities that fit the company's environment and its strengths and weaknesses (Teece, 2007). Organizations exhibit a high seizing capacity when they are able to assess the value of certain information in terms of whether it can be converted into concrete business opportunities (Kump et al., 2018).

The last dimension, *reconfiguration* refer to an organization's ability to recombine and reconfigure its resource base, structures, and processes to take advantage of an identified opportunity. According to Teece (2007), reconfiguration involves enhancing or restructuring the intangible and tangible assets of the organization. This can be achieved by implementing the necessary structures and routines, providing the infrastructure and qualifying employees accordingly. An organization with a high capability for reconfiguration consistently implements determined renewal activities by assigning responsibilities, providing resources, and ensuring that the workforce has the newly needed knowledge (Kump et al., 2018).

To summarize, dynamic capabilities are an essential prerequisite for adapting to external and internal change by identifying and addressing the opportunities and risks of change, as well as implementing them within the organization. Since hybridization is a major change in the nonprofit context, it can be assumed that the capability for hybridization, i.e., the capability to recognize logic combinations, realign them, and apply them, has a significant impact on the degree to which hybridization is achieved.

However, given the absence of a systematic and comprehensive investigation into hybridization capabilities it remains largely unknown how capabilities are related to logic combination and how these shape hybridization outcomes within NPOs. Addressing this research gap, this study examines the research question *how and why do organizational capabilities lead to differences in logic combinations in nonprofit organizations*.

Method

Considering the limited theoretical and empirical evidence on the influence of hybridization capabilities on logic combination, an inductive single case study design with embedded units of analysis is adopted (Gehman, Glaser, Eisenhardt, Gioia, Langley, & Corley, 2018; Yin, 2018). This choice can be attributed to the fact that complex phenomena in a real-life context can be investigated in-depth by case studies (Eisenhardt, 1989; Yin, 2014). The importance of case studies has also been recognized within the hybrid literature (Battilana & Lee, 2014; Litrico & Besharov, 2019). Moreover, this embedded approach enables the comparison of the hybridization capabilities existing in the embedded units and how they influence logic combination ensuring replication logic and external validity (Eisenhardt, 1989; Yin, 2018).

Research setting

Using theoretical sampling (Eisenhardt, 1989), a regional subdivision of a nationwide nonprofit organization in Germany labelled as AidCorp was chosen. AidCorp is an exemplary case since on the one hand it reflects the complexity that exists in many nonprofits, which has often been overlooked in previous studies and on the other hand is essential to investigate and to compare in-depth how and why capabilities influences logic combinations (Yin, 2018). AidCorp is one of the top associations of welfare organizations in the German nonprofit sector. Set up in an association structure, AidCorps social mission is to represent, inform and advise its more than 870 member organizations in socio-political questions. Additionally, AidCorp considers itself a social service provider, offering its own services in areas such as care, integration and inclusion assistance, as well as advice for various life situations and support in social centers. AidCorp consists of 41 district associations as providers of its own social services and counseling. In total, AidCorp has approximately 3,400 employees, with senior and middle management consisting of about 50 people. Although Aidcorp has an overarching social mission, its business units contain different areas of responsibility and are represented by

different board members. While the focus of business unit 1 is to provide support and advisory services to the member organizations, business unit 2 contains the internal departments and specialist areas. Business unit 3, the district associations acts as both as a focal point for member organizations *and* as a provider of their own services in the regions. Thus, the embedded units of the case study are represented in this three business units.

Data collection

A multi-method design was adopted for data collection consisting of documents, semi-structured interviews, and non-participant observations (Eisenhardt, 1989). In sum, 127 pages of internal documents, such as strategy papers, workshop material and presentations were collected and analyzed to identify the nature and content of the professionalization of AidCorp. The main data sources were semi-structured interviews followed by non-participant observations (see Table 1).

Insert Table 1 about here

A semi-structured interview guide was developed, based on the stated research question and the literature on NPO hybridization and dynamic capabilities (Patton, 2015). Subsequently, two pre-interviews with the head of organizational development and head of human resources were conducted to refine and adjust the interview guide. In total 35 interviews were conducted. The interview first included general questions about the reason and goal of professionalization and what steps were taken in the units to achieve this goal. Moreover, questions were asked in relation to the tensions that emerged between the units, which provided insights into the hybridization level of each embedded unit. This was followed by more specific questions how the hybridization differences emerged. As such, question were focused on the respective embedded units and their abilities to identify and implement logic combination opportunities. For example, the interview questions were: *How do you identify where*

professionalization opportunities exist", "How do you change existing work processes in your department?", or "How do you ensure that new processes and practices are applied?" To avoid information bias and to capture comprehensive information almost all managers of the two business units and district associations were interviewed (Aguinis & Solarino, 2019; Galdas, 2017). To encourage the informants' accuracy, the assurance of anonymity and confidentiality was given (Davis & Eisenhardt, 2011). Therefore, all managers in unit 1 and 2 will be referred to as headquarter managers (HM) and district association and regional managers in unit 3 will be referred as on-site managers (OM) in the subsequent presentation of the results as the size of some departments prevents concrete determination of positions. All interviews were recorded and transcribed verbatim with an average length of one hour. In total, 33.24 hours of interview data were collected, resulting in about 360 pages of transcribed data. In addition to the interviews, data from 39 hours of non-participant observations were conducted throughout a workshop series. The aim of this workshop series was to develop a more professional and modern leadership concept based on jointly identified values. The participants in this workshop series consisted of the managers and middle management level of the embedded units. Participation in the workshops allowed data to be collected from observations that provided important insights into how professionalization opportunities were identified and interpreted at the respective leadership levels of each embedded unit and what combinations of logics were ultimately reflected in the leadership roles that were developed.

To increase the reliability of the findings, inaccurate data and information bias were reduced by triangulating within and between the different data sources (Marshall & Rossman, 2011). In addition, to increase the construct validity "member checking" was conducted to determine if the identified relationships of the data analysis were accurate (Creswell, 2009). In this method, the preliminarily identified relationships were presented to panels that consisted of managers from the management levels of the respective embedded units. By triangulating multiple data sources and including multiple informants across different organizational levels,

a rich mix of different data sources was obtained that provided deep insights into hybridization capability and its influence on combining logics (Yin, 2014). Conducted as an iterative process, data collection and analysis were performed until theoretical saturation was established and no new insight could be gained from the data (Eisenhardt, 1989).

Data analysis

Data analysis occurred in two iterative steps of within- and cross-case analysis of the three embedded units. The systematic replication of findings (replication logic) across the three embedded units is expected to strengthen the findings from the data and to provide detailed insights how the capability for hybridization influences logic combination (Eisenhardt & Graebner, 2007; Yin, 2018).

Within-case analysis began with the coding and compilation of data. For this aim, a codebook was developed based on the previously identified constructs from the capabilities literature relating to sensing, seizing, and reconfiguration (Creswell, 2009; Eisenhardt, 1989; Teece, 2007). Developing a case study protocol in which research procedures were documented ensured the reliability of the data (Yin, 2014). To be able to reduce and condense data without losing sight of the evidence chain, and thus improve construct validity, a narrative was written for each embedded unit to be able to identify how hybridization differences became visible in the embedded units (Eisenhardt & Graebner, 2007). In the next step of the within-case analysis, the data were condensed and aggregated to identify how the level of hybridization, i.e., the characteristic of how logics were combined, was created by the capabilities to combine profit and social welfare logics (Miles, Huberman, & Saldana, 2020). To this end, interviewees were first asked to describe which logic form is currently dominant in their unit in the course of professionalization so that conclusions could be drawn about the degree of hybridization. They were then asked to provide insight into how this hybridization path emerged by providing information on how opportunities for logic combination were identified, implemented and applied. The results from the professionalization steps documents and the data from the

observations were used to match these steps. Triangulation of this direct and indirect assessment determined the level of hybridization within each unit, as well as rated the capabilities to combine logics from high to low (Miles et al., 2020). This resulted in emergent patterns between the capabilities to combine logics and the emergent hybridization level of each case (Eisenhardt, 1989; Teece, 2007).

The emerging patterns were compared and refined across the cases through replication logic (Eisenhardt, 1989). The embedded case study design enabled the analysis of the nature of capabilities and their influence on logic combination within AidCorps hybridization process, which strengthened the analytical generalization (Yin, 2018). Tables and charts listing preliminary constructs were used to systematically compare similarities and differences among embedded cases resulting in the emergence of patterns that were used to identify tentative constructs and their relationships (Miles et al., 2020). These constructs and their relationships were refined in checking if the data occurred across the cases (Edmondson & Mcmanus, 2007; Eisenhardt, 1989). Compared with prior dynamic capabilities literature similarities and differences were identified that sharpened the constructs and strengthened the internal validity (Eisenhardt, 1989).

The relationships between the capabilities to hybridize stemming from the dynamic capability dimensions of sensing, seizing, and reconfiguration and their influence on the characteristics of logic combination respectively the emerging hybridization differences were identified and visualized in the preliminary theoretical framework shown in Figure 1. Table 2 also provides an overview of these hybridization capabilities and their definitions.

Insert Table 2 about here

Findings

Based on an in-depth analysis multiple constructs across the three dimensions of dynamic capabilities (sensing, seizing, reconfiguration) proposed by Teece (2007) were found to have influence on how logics are combined (see Table 2). The identified patterns concerning the influence of these capability constructs on logic combination within AidCorp will be outlined in detail below. Hereby, supporting evidence is provided by table 3. The identified underlying relationships through an in-depth analysis of the constructs and patterns can be obtained from the empirically grounded framework (see Figure 1). The framework shows that *hybridization capabilities* consist of *diagnosis* and *exploration capabilities* that are related to sensing capabilities, *leveraging* and *value assessment capabilities* that are related to seizing capabilities, and finally, *enactment* and *alignment capabilities* that are related to reconfiguration capabilities. Together, these hybridization capabilities influences the emergence of *intraorganizational hybridization differences* between the embedded units visible in their distinct characteristics of logic combination. As such, hybridization capabilities can be regarded as the capabilities to explore, to assess and to align new forms of logic combinations. Hereby, three different logic combinations were identified, which are summarized under the three hybridization types, *profit*, *social* and *integrated*. Moreover, the framework shows that especially value assessment capabilities influence how logics are combined as these capabilities lead to either a *synergy* or an *incompatibility perception* (see Figure 1). Only when the capabilities to assess value to both logics was *highly* developed, this led to a “balanced” combination of the logics (integrated type). In the other two embedded units (profit and social type), these value assessment capabilities were *low* pronounced.

Insert Table 3 about here

Insert Figure 1 about here

Sensing Related Capabilities

The first component comprises the sensing of opportunities of logic combination. Hereby, the data analysis revealed two types of hybridization capabilities that stemmed from sensing activities (see Table 2). The *active diagnosis of combination opportunities* comprises the extend to which organizations search for possibilities for logic combination in their external environment by listening to stakeholders, customers, and employees to recognize (latent) demands and the *exploration of combination opportunities* describes their capabilities how they consider the importance to actually explore them.

The results show that the diagnosis capabilities necessary for active search of possibilities for logic combinations are low in embedded unit 1 (social type). A headquarter manager described: *“I think we are well positioned, so there are measures in our area that are not due to economic necessities, but were simply carried out because it corresponds to our stakeholder groups.”* (HM5). Moreover, the findings show that recognized opportunities for logic combination are not considered to be actually essential in this unit, suggesting low capabilities to explore opportunities to combine logics. One manager elaborates: *“Yeah, I don't know if AidCorp is well suited to become a business enterprise. I can understand that we need to make money, no question, but, we also need to take time for social tasks.”* (HM4). In contrast, the embedded unit 2 (profit type) as well as the embedded unit 3 (integrated type) are characterized with major diagnosis and exploration capabilities of identifying opportunities of logic combination. This is highly pronounced, as lessons have been learned from the economic missteps of recent years with regard to the company's own services, and managers accordingly pay attention to commit exploring opportunities for logic combination. A headquarter manager explained: *“Professionalization is basically about organizing and restructuring the region so*

that our own services remain capable of acting, and therefore we have to set ourselves up more effectively and use our resources more efficiently.” (HM5).

Furthermore, the sensing capabilities within embedded unit 2 and 3 were evident in managers actively seeking opportunities to increase the economic efficiency of their units, e.g. by operating in a way that generates a surplus for the company's own services. Moreover, the findings suggest that in embedded unit 3, the strategic decision to integrate more professional structures and processes was initially considered as interfering with the actual social work, which changed over time as new levels of hierarchy were created in this unit and new (more professional) staff were hired. Diagnosing and exploration capabilities have increased accordingly as one on-site manager explained *“We had “sleepyheads” before who did not recognize the need and pressure from outside.” (HM8).* In summary, the findings indicate that hybridization capabilities relating to sensing capabilities, such as diagnosis and exploration capabilities, influence the enactment of further seizing and reconfiguration capabilities and thereby the characteristic of logic combination. In line with these findings, Figure 1 illustrates this influence.

Seizing Related Capabilities

With regard to seizing capabilities, two capabilities emerged as another important hybridization capabilities composed of the capabilities to lever combination opportunities and the capabilities to assess the value of logic combination opportunities (see Table 2). *Leveraging capabilities* comprise the implementation of identified opportunities and involve the mobilization of internal and external resources and competencies for logic combination. This includes changing network structures and communication channels. *Value assessment capabilities* include the capabilities to communicate specific values that guide the hybridization, thus securing access to capital and building commitment. Moreover, value assessment capabilities include the capabilities to perceive value to *both* logics that are to be combined, in this case profit and social welfare logics.

The findings indicate that leveraging capabilities show an influence on reconfiguration related capabilities, such as enactment capabilities, necessary for the subsequent reconfiguration of the existing logic combination within the units.

Moreover, the findings illustrate that the capabilities to assess value of the logic combination represent pivotal capabilities to ultimately influence the characteristic of the logic combination. If these capabilities were low, this resulted in an *incompatibility perception* whereby either profit or social welfare logics were perceived and communicated as important, leading to an overemphasiz of profit logics (profit type) or an underrepresentation of profit logics (social type). However, if these capabilities were highly developed, both logics were perceived as valuable, resulting in a more “balanced” combination (integrated type) (see Figure 1).

The data implies that how logic combination i.e professionalization requirements were communicated to the employees influences the value assessment of logic combination. Here, embedded unit 3 (integrated type) showed *high* value assessment capabilities, whereas this was not the case at the beginning of professionalization. This is noted by an on-site manager of unit 3: “*Well, in the initial phase, it also depended a lot [...] on the image that was conveyed to the employees. I have the impression that this [professionalization] was not always communicated in a completely value-free manner. I think one important task is to communicate with colleagues and try to explain it [professionalization] sufficiently so that it is also comprehensible what is actually happening at the moment, where is the journey going, why are we doing this.*” (OM4).

Also in embedded unit 2, communication channels were used more intensively. One headquarter manager explained: “*What has changed quite a lot is basically the communication channels. We are informed about [professionalization] topics now very often.*” (HM7). However, where in the integrated type an equal emphasis was placed on both logics, in the profit type an overemphasis was placed on profit logics, indicating *low* value assessment capabilities. The change in communication did not take place in embedded unit 1 (social type)

inducing also *low* value assessment capabilities (see Table 3). Instead, the importance of socially oriented tasks continued to be emphasized here, as a headquarters manager stated: *“The thing that is missing here is actually that this communicative part is well accompanied and I think that is a longer process.”* (HM2).

The change in (a profit enhancing) communication can be attributed to the change in network structures in the units. Particularly in unit 2 and 3, comprehensive restructuring measures were implemented in the form of the creation of new hierarchical levels and management positions, as well as the hiring of new (professionally trained) employees. A headquarter manager illustrated: *“At the moment, the trend is a comprehensive replacement in unit 2. It feels like 1,000 people are being hired. For every handshake, one is hired, something is elaborated, something is developed.”* (HM5). The change in network structures entailed an improvement in leveraging capabilities in combining profit-oriented logics and social welfare logics. An on-site manager explained: *“Many new employees have joined us in recent months, and we have noticed changes, especially among people who have been here for a very long time. They also have great approaches, but when a new colleague arrives, as we have noticed more often now, they bring new impulses with them and then draw colleagues more strongly into the process.”* (OM6). In contrast, network structures as well as relevant communication channels have collapsed in embedded unit 1 and were not replaced which prevented the promotion of leveraging capabilities. A headquarter manager noted: *“The...main focus for me is rather that the colleagues disappeared and when I express my ideas here, no one is there to take them on board.”* (HM1). In summary, the findings indicate that leveraging capabilities of the embedded units influence the enactment of reconfiguration capabilities and thereby the characteristic of logic combination. In line with these findings, Figure 1 illustrates this influence.

Reconfiguration Related Capabilities

Reconfiguration related capabilities represent the last building block that influences the logic combination within the embedded units. Hereby, two hybridization capabilities emerged during the data analysis (see Table 2). *Enactment capabilities* can be described as capabilities that stimulate the development and application of new logic combinations. *Alignment capabilities* assess the fit of the logic combination to the strategic direction of the organization.

The embedded unit 1 (social type) shows minor enactment and alignment capabilities for logic combination. This implies that profit logics hardly find any strategic access in the structures and processes and are not combined with the social welfare logics of this unit. A headquarter manager pointed out: *“Yes, professionalization is important, but we first have to develop standard processes for social work.” (HM3)*. Another headquarter manager also stated: *“Developing standard processes should be the priority at AidCorp.” (HM6)*. In contrast, the embedded unit 2 (profit type) shows high enactment capabilities with regard to the new logic combination, which is reflected in the comprehensive transformation of structures and processes in this embedded unit. The findings show that in embedded unit 2 both profit and social welfare logics are integrated in the structures and processes. However, the profit logics supersede the social welfare logics and there was no equal application in the logic combination. Interestingly, however, this overemphasis on profit logic was not seen as a problem, but was even taken for granted. In that context, a headquarter manager explained: *“Due to professionalization, many things in the area of member support are running rudimentary.” (HM3)*. This is also reflected in the statement of another headquarters manager who emphasized that: *“If I want to become more professional, then I have to make sure that I do everything to make it work. I can't pay attention to everything, so I have to give up the other (social) things.” (HM8)*. Within embedded unit 3 (integrated type), the findings indicate also high enactment capabilities but here, profit logics were applied in a way that does not override social goals like

in unit 2. The findings suggest that in unit 3 the logics were applied in an integrated form that contributes to the fulfillment of profit-oriented as well as socially oriented goals. An on-site manager illustrated: *“I think that both [social and profit] is important and I don't believe that there is a conflict. I rather believe that the possibilities of combining both areas of responsibility are still being used far too little [...] it doesn't always have to be separated, but I believe that bridge-building is possible in many places.” (OM1).*

Taken together, the findings suggest that enactment as well as alignment capabilities are necessary to complete the hybridization process in the form of the new logic combination. In line with these findings, Figure 1 illustrates this influence. The findings indicate that the hybridization capabilities that emerge from the data vary in degree (high and low) and lead to differences in the combination of profit and social welfare logics. In addition, although units 2 (profit type) and 3 (integrated type) show similar levels of high hybridization capabilities, the final combination of logics is different due to differences in the development of value assessment capabilities. This will be explored in more detail in the next section.

Relationship of Hybridization Capabilities and Logic Combination

The findings show that hybridization capabilities lead to differences in the *characteristic of logic combination* of how profit and social welfare logics are combined (see Table 3). In the case of the embedded unit 1 (social type), the findings show that the characteristic of logic combination remained social oriented as the identified hybridization capabilities related to sensing, seizing, and reconfiguration are low and profit-oriented logics were combined only to a small extent to the social welfare logics. While AidCorps strategy is to ensure that financial uncertainties are reduced, this has not become the predominant objective in business unit 1. A headquarter manager illustrated: *“We want to successfully restructure and continue our economic business - and in this area of tension, member promotion and political representation of interests tends to fall by the wayside...and that's not an option, so we can't do that [focus on profit].” (HM6).*

Consequently, the prioritization of profit logics are low within this type as the prioritization of social welfare logics remained high.

Contrary, embedded unit 2 (profit type) was able to combine profit-oriented logics and social welfare logics due to high hybridization capabilities. However, the findings indicate that profit logics replaced social logics implicating an imbalance in the characteristic of logic combination indicating a profit logic override. A headquarter manager noted: *“You constantly notice that a lot of things are put on the shelf and economic issues are given priority.”* (HM5). Finally, the embedded unit 3 (integrated type) show also high hybridization capabilities relating to the dimensions of sensing, seizing, and reconfiguration. However, embedded unit 3 (integrated type) was able to combine profit and social welfare logics in a more “balanced” way, as noted by on-site manager: *“Our own services are definitely important, but so are the other (social) areas of member support, you can't see them disconnected from each other somehow.”* (OM6). Another on-site manager illustrated: *“We are moving a little bit in parallel with the goals and now of course the challenge will be to interlock them well with each other, so that they are built up in parallel with each other and do not drift off in opposite directions.”* (OM3).

The findings show that hybridization did not emerged uniformly throughout the organization, but that *intraorganizational hybridization differences* emerged between the units due to the differences in their hybridization capabilities. Figure 1 illustrate these differences. As noted above, the findings show that in particular seizing-related *value assessment capabilities* have an impact on the characteristic of the logic combination as different perceptions regarding the value of the logic combination prevail in the embedded units (see Table 3). These different value perceptions can be distinguished in two variants: An *incompatibility perception* when value assessment capabilities are low and a *synergy perception* when value assessment capabilities are high.

In embedded unit 1, a profit orientation, or an integration of profit logics, has been perceived as incompatible with the social mission and perceived as a sort of threat. A headquarter manager described: *“The main problem is that if we do (focus on profit), we lose member associations, that we lose income, that we lose political weight [...] and when they are gone, you can never get them back again.”* (HM1). This led to an underemphasis of profit logics in processes and structures as a headquarter manager emphasized: *„We are not affected by professionalization in these areas, so we are a bit disconnected”*. (HM2). In contrast, in embedded unit 2 *“the promotion of members is actually perceived by many at the moment as an additional burden.”* (HM2) as a headquarter manager illustrated. As such, in this unit, social welfare orientation has been seen as an obstacle that prevents becoming a modern organization and the maintenance of social logics was perceived as incompatible concerning the (re)combination of profit and social welfare logics. As a consequence, profit logics has been overemphasized in processes and structures abandoning social welfare logics as one headquarter manager stated: *“So, we have learned that we are a membership association, but membership support takes a back seat to all other goals.”* (HM3).

Finally, in embedded unit 3, in contrast to embedded unit 1 and 2, synergies in the use of both logics were perceived. The findings show that profit logics are equal emphasized to social welfare logics in processes and structures leading to an integrated or hybrid logic combination. An on-site manager illustrated: *“I think that both [social and profit] is important and I don't believe that there is a conflict. I rather believe that the possibilities of combining both areas of responsibility are still being used far too little [...] it doesn't always have to be separated, but I believe that bridge-building is possible in many places.”* (OM1).

Discussion

The aim of this study was to investigate how and why organizational capabilities induces differences in logic combinations in nonprofit organizations to better understand the phenomenon of nonprofit hybridization in relation to the emergence of intraorganizational

hybridization differences. Nonprofit hybridization is a prevalent phenomenon that enables NPOs to operate in dynamic and complex environments (Krlev & Anheier, 2020), increase their capacity for innovation (Alberti & Varon Garrido, 2017; Tracey et al., 2011), and enhance their competitiveness with other types of organizations (Suykens et al., 2019b). However, existing research has focused on investigating the tensions that emerge due to the combination of profit and social welfare logics within that context missing the opportunity to investigate the factors or mechanism that influence logic combinations itself (Min, 2022; Suykens et al., 2019a).

Addressing this gap, this study investigates how and why organizational capabilities lead to differences in logic combination in nonprofit organizations in combining insights from a capability perspective (Teece et al., 1997; Teece, 2007) with insights from the hybrid literature (Battilana & Dorado, 2010; Besharov & Smith, 2014; Litrico & Besharov, 2019).

By drawing on the conceptualization of the dynamic capabilities dimensions of Teece (2007), the sensing, seizing, and reconfiguration capabilities and using an embedded single case study, the findings extend the existing literature in several ways. The main contributions of this study is the development of a capability based empirical framework that highlights the complex interrelationships between hybridization capabilities and their influence on logic combination, thereby explaining how and why intraorganizational hybridization differences occur. The framework suggests that logic combination is influenced by a form of dynamic capabilities hereafter referred to as *hybridization capabilities*, referred as the capabilities to explore, to assess, and to align new forms of logic combinations. These hybridization capabilities are necessary to hybridize, i.e. to change existing logic combinations. This is in line with the dynamic capabilities approach (Teece et al., 1997; Teece, 2007; Zollo & Winter, 2002), which suggests that to implement new organizational strategies, it is essential to identify specific customer needs and requirements, implement them, and reconfigure organizational resources in such a way that they can be used and create an advantage for the organization. In this respect, it can be stated that hybridization capabilities are also change-oriented capabilities that help to

change the resource base of the nonprofit organization in order to respond to changing environmental (hybridization) demands through logic (re)combination.

The findings demonstrate that due to the varying degrees of hybridization capabilities in the embedded units, hybridity imbalances formed and manifested as *intraorganizational hybridization differences*. Differences in the expression of hybridity have also been highlighted by Battilana et al. (2017) and Ebrahim et al. (2014), who demonstrate in their research how logics are evident either throughout the organization or assigned to separate entities. The current findings extend these observations and provide answers how and why hybridization differences occur. The findings show that the characteristics of how the logics are combined differ and lead to variations in the embedded units that either overemphasize profit-oriented logics, strive for equality, or even continue to maintain social welfare logics. Hence, the findings suggest that logic combination is not a holistic organizational phenomenon, resulting in one variant of a hybrid organization, but that intraorganizational hybridization differences can occur within an organization leading to the emergence of several hybridization types in just one organization. This suggests equifinality in hybridization, as that logic combinations occur in each embedded unit, but the specific combination of logics was unique in each embedded unit, partly due to their hybridization capabilities (Eisenhardt & Graebner, 2007; Pache & Santos, 2013b).

In particular, the findings show that the capabilities to assess values are central capabilities that can explain the differences in the combination of logics, as here the perception develops related to the incompatibility or synergy of the logics that are to be combined.

If an *incompatibility perception* is developed due to low value assessment capabilities this leads to an unbalanced combination of logics where either the maintenance of a social welfare orientation is processed or a profit orientation is pursued whereby the recombination of logics consists of an overemphasis on profit logics.

In contrast, if a *synergy perception* is developed due to high value assessment capabilities this leads to a “balanced” combination of logics, as profit and social welfare logics were combined equally (see Figure 2).

In this context, the hybrid literature points to the role or position of key organizational actors who have particular mindsets concerning hybridization and who, as key decision-makers, influence the identification and implementation of logics (Currie & Spyridonidis, 2016; McGivern, Currie, Ferlie, Fitzgerald, & Waring, 2015). Additionally, Tracey et al. (2011) emphasize that the process of creating a new socioeconomic organizational form requires an entrepreneur to identify opportunities for bridging or combining. Moreover, Reisman (2018) suggests that the realization of nonprofit rationalization depends on the ability of managers to perform interpersonal work to combine elements of different impulses into a coherent set of organizational principles. Especially in light of the consideration that value assessment capabilities are driven or enhanced by communication, this suggests that there should be organizational actors who represent such a (hybrid) mindset and are able to communicate it. In sum, the empirical grounded framework emphasizes the importance of considering hybridization capabilities when investigating the hybridization of nonprofits (Teece, 2007).

Conclusion and Future Research

This study provides essential insights to extend previous research on NPO hybridization (Suykens et al., 2019b; Svensson et al., 2020). By exploring how and why organizational capabilities induce intraorganizational hybridization differences, the findings of this study contribute to research on NPO hybridization as previous research has widely neglected a capabilities perspective for explaining differences in logic combination (Battilana & Lee, 2014; Brandsen, van de Donk, & Putters, 2005). Consequently, this study provides insights into the underlying factors that lead to these hybridization differences in first introducing hybridization capabilities, defined as the capability to explore, to assess, and to align new forms of logic combination and second, by illustrating their interrelatedness as well

as their value based nature. Accordingly, the findings indicate that while a high degree of hybridization capabilities is necessary to recombine logics and thus to professionalize, value-oriented capabilities, such as value assessment capabilities lead to the emergence of intraorganizational hybridization differences in that logics are addressed to varying degrees in (re)combination. This implies that hybridization of nonprofit organizations is a process that is much more complex than previously assumed, which places new demands on the management of these organizations and implies a revision of existing management approaches (Battilana et al., 2017).

However, some limitations must be considered and future research may be conducted to extend and validate the findings. For example, further empirical studies are required to specify the influence on logic combination as well as the emergence of hybridization differences. For example, research should be carried out on how the intensity of the individual capability components affects the emergence of intraorganizational hybridization differences. In this context, additional research is needed, especially concerning the final application of the logic combination, to provide detailed information about possible hybridization differences and interface tensions. Similarly, forthcoming studies could be conducted in different settings (i.e. different countries or industries) to increase the generalizability of the framework and explore the influence of hybridization capabilities on logic combination.

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Table 1
Summary of Data Collection

AidCorp		Data	
Embedded cases	Function	Interviews	Hours
Business unit 1	CEO	1	1.01
(support and advice for member organizations)	Department manager Specialist manager	3 3	3.04 3.28
Business unit 2	CEO	1	1.12
(own services)	Department manager Care manager Human resource manager	5 1 4	5.14 0.47 3.16
District associations	Regional manager District association manager Division manager	4 4 9	4.26 4.12 7.24
(support and advice for member organizations and own services)			
Total		35	33.24
	Type of meeting	Hours of non-participant observations	Pages of transcript
	Strategic leadership development and leadership styles	8.00	9
	Introduction and development of leadership values	7.30	8
	Elaboration of leadership values	7.30	7
	Development of the leadership mission statement	4.30	5
	Development of leadership roles	4.00	7
	Development and application of leadership tools	4.30	6
	Final evaluation leadership mission statement, leadership values and leadership tools	4.00	5
	Documents		Pages
	Mission statute		8
	Official workshop presentations slides		87
	Presentation of strategic care development		32
	Total	39	47
	Total	7	127

Table 2
Overview of Hybridization Capability Constructs

Capability Dimensions	Capability Constructs	Definition	Empirical Data
Sensing	Active diagnosis of combination opportunities	Capabilities to identify specific customer needs and the development of markets as well as the reactions of suppliers and competitors	<i>“AidCorp has “overslept” for a long time in initiating modernization and structuring, and this is the task that we have tackled recently because we have simply limped far ahead of the time in many areas.” (HM2).</i>
	Exploration of combination opportunities	Capabilities to explore combination opportunities by listening to stakeholders, customers, and employees to recognize (latent) demands	<i>“AidCorp wants to be competitive, so of course we have to adapt to the new requirements, so that is a goal, that we are competitive on the market, become more competitive and that we are economically strong and stable.” (OM9).</i>
Seizing	Leverage of combination opportunities	Capabilities that comprise the implementation of identified opportunities and involve the mobilization of internal and external resources and competencies (changing network structures and communication channels)	<i>“The main problem is that if we do (focus on profit), we lose member associations, that we lose income, that we lose political weight [...] and when they are gone, you can never get them back again.” (HM1).</i>
	Value assessment of logic combination	Capabilities to communicate specific values that guide professionalization, thus securing access to capital and building commitment Capabilities to perceive value to <i>both</i> logics that are to be combined	<i>“The aim of the restructuring is to develop the organization into a modern welfare association with more efficient structures and processes.” (OM1).</i>
Reconfiguration	Enactment of logic combination	Capabilities to stimulate the development and application of new logic combinations	<i>“Yes, professionalization is important, but we really have to develop standard processes first, i.e. basic work.” (HM3).</i>
	Alignment of logic combination	Capabilities to generate the fit of the logic combination to the strategic direction of the organization/strategic fit to hybridity	

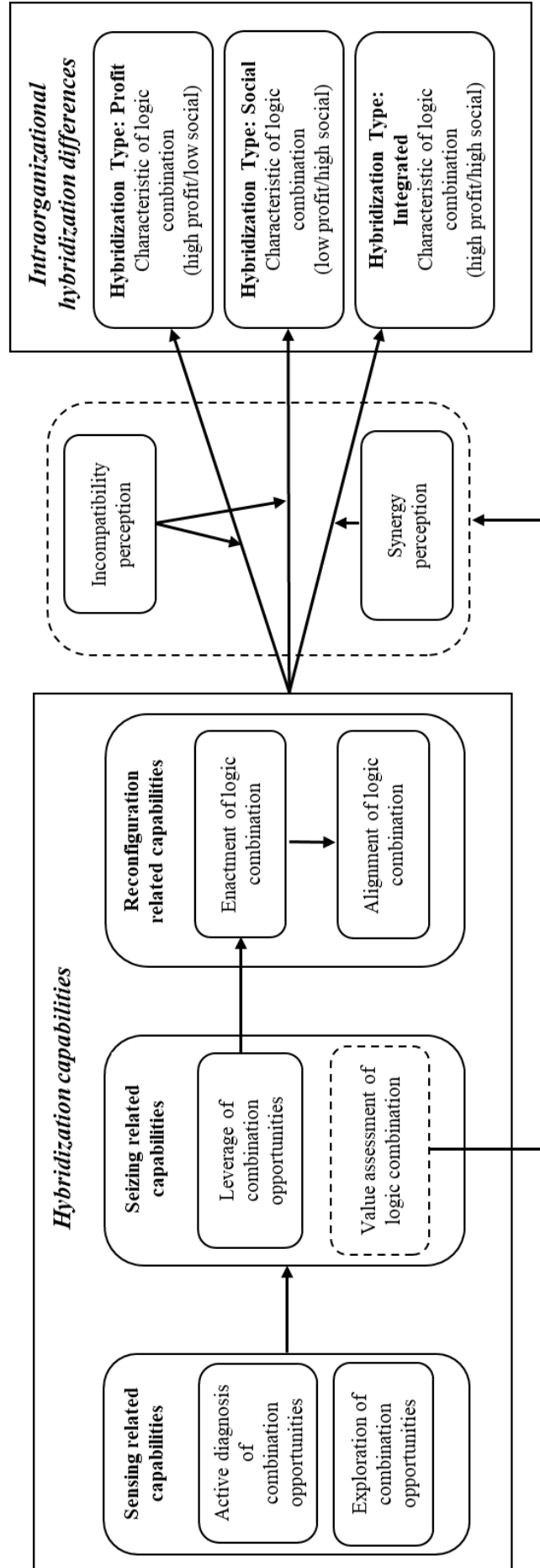
Table 3
Patterns of Hybridization Capabilities and Logic Combination

	Seizing Capabilities		Reconfiguration Capabilities		Characteristic of Logic Combination
Embedded Unit	Sensing Capabilities		Enactment of logic combination		Hybridization Type: Social
Embedded unit 1	<p>Active diagnosis of combination opportunities</p> <ul style="list-style-type: none"> Low activity in the search for possibilities for logic combination <p>Exploration of combination opportunities</p> <ul style="list-style-type: none"> The integration of profit logics is not considered particularly essential 	<p>Leverage of combination opportunities</p> <ul style="list-style-type: none"> Communication channels are interrupted, ideas for a possible implementation of profit logics are slowed down <p>Value assessment of logic combination</p> <ul style="list-style-type: none"> Low development of value assessment capabilities Loss of essential contact persons and structures of responsibility that emphasize value of profit logics Profit orientation is perceived as a threat to the actual mission 	<p>Enactment of logic combination</p> <ul style="list-style-type: none"> Low capability of implementing and applying new logic combination <p>Alignment of logic combination</p> <ul style="list-style-type: none"> Profit logics are underemphasized in processes and structures 	<p>Prioritization of profit logics (low)</p> <ul style="list-style-type: none"> Social logics remain priority within this type as profit logics do not get access <p>Prioritization of social welfare logics (high)</p> <ul style="list-style-type: none"> Social logics remain priority within this type as profit logics do not get access 	
Empirical Data	<p>"I think we are well positioned, so there are measures in our area that are not due to economic necessities, but were simply carried out because it corresponds to our stakeholder groups." (HM5).</p> <p>"Yeah, I don't know if AidCorp is well suited to become a business enterprise. I can understand that we need to make money, no question, but, we also need to take time for social tasks." (HM4).</p>	<p>"The thing that is missing here is actually that this communicative part is well accompanied and I think that is a longer process." (HM2).</p> <p>"The...main focus for me is rather that the colleagues disappeared and when I express my ideas here, no one is there to take them on board." (HM1).</p> <p>"The main problem is that if we do (focus on profit), we lose member associations, that we lose income, that we lose political weight [...] and when they are gone, you can never get them back again." (HM1).</p>	<p>"Yes, professionalization is important, but we first have to develop standard processes for social work." (HM5).</p> <p>"Developing standard processes should be the priority at AidCorp for the next few months and years." (HM6).</p>	<p>"We are not affected by professionalization in these areas, so we are a bit disconnected". (HM2).</p> <p>"We want to successfully restructure and continue our economic business - and in this area of tension, member promotion and political representation of interests tends to fall by the wayside...and that's not an option, so we can't do that [focus on profit]." (HM6).</p>	
Embedded unit 2	<p>Active diagnosis of combination opportunities</p> <ul style="list-style-type: none"> High activity in the search for possibilities for logic combination <p>Exploration of combination opportunities</p> <ul style="list-style-type: none"> The integration of profit logics considered as highly essential for a modern enterprise 	<p>Leverage of combination opportunities</p> <ul style="list-style-type: none"> High utilization of communication channels to increase transparency of logic combination <p>Value assessment of logic combination</p> <ul style="list-style-type: none"> Low development of value assessment capabilities Social welfare orientation is seen as a burden that prevents becoming a modern organization 	<p>Enactment of logic combination</p> <ul style="list-style-type: none"> High capability of implementing and applying new logic combination <p>Alignment of logic combination</p> <ul style="list-style-type: none"> Profit logics are overemphasized in processes and structures 	<p>Prioritization of profit logics (high)</p> <ul style="list-style-type: none"> Profit logics are strongly emphasized and gain predominance <p>Prioritization of social welfare logics (low)</p> <ul style="list-style-type: none"> Social welfare logics lose priority instead, they are perceived more as a burden 	
Empirical Data	<p>"Professionalization is basically about organizing and restructuring the region so that our own services remain capable of acting, and therefore we have to set ourselves up more effectively and use our resources more efficiently." (HM5).</p> <p>"We are now in the economic planning phase, so it is relatively clear that the internal area has priority over (social) member services for now." (HM8).</p>	<p>"What has changed quite a lot is basically the communication channels. We are informed about [professionalization] topics now very often." (HM7).</p> <p>"At the moment, the trend is a comprehensive replacement in unit 2. It feels like 1,000 people are being hired. For every handshake, one is hired, something is elaborated, something is developed." (HM5).</p> <p>"The promotion of members is actually perceived by many at the moment as an additional burden." (HM2).</p>	<p>"Due to professionalization, many things in the area of member support are running rudimentary." (HM5).</p> <p>"If I want to become more professional, then I have to make sure that I do everything to make it work. I can't pay attention to everything, so I have to give up the other (social) things." (HM8).</p>	<p>"So, we have learned that we are a membership association, but membership support takes a back seat to all other goals". (HM3).</p> <p>"You constantly notice that a lot of things are put on the shelf and economic issues are given priority." (HM5).</p>	

Table 3 (continued)

Embedded Unit	Sensing Capabilities	Seizing Capabilities	Reconfiguration Capabilities	Characteristic of Logic Combination
Embedded unit 3	<p>Active diagnosis of combination opportunities</p> <ul style="list-style-type: none"> High activity in the search for possibilities for logic combination <p>Exploration of combination opportunities</p> <ul style="list-style-type: none"> The integration of profit logics considered as highly essential for a modern enterprise 	<p>Leverage of combination opportunities</p> <ul style="list-style-type: none"> High utilization of communication channels, information overload <p>Value assessment of logic combination</p> <ul style="list-style-type: none"> High development of value assessment capabilities Creation of new hierarchical levels and positions, hiring of well-trained employees Perception of high synergies in the use of both logics 	<p>Enactment of logic combination</p> <ul style="list-style-type: none"> High capability of implementing and applying new logic combination <p>Alignment of logic combination</p> <ul style="list-style-type: none"> Profit logics are equal emphasized to social welfare logics in processes and structures Profit and social welfare logics complement each other 	<p>Hybridization Type: Integrated</p> <ul style="list-style-type: none"> Prioritization of profit logics (high) Profit logics are strongly emphasized Prioritization of social welfare logics (high) Social logics also remain priority
Empirical Data	<p>"So if I wasn't approached directly, I wouldn't notice it, but my presence in the district associations ensures that I'm aware of the issues." (OM1).</p> <p>"We had 'sleepyheads' before who did not recognize the need and pressure from outside." (HMS).</p>	<p>"Well, in the initial phase, it also depended a lot [...] on the image that was conveyed to the employees. I have the impression that this was not always communicated in a completely value-free manner. I think one important task is to communicate with colleagues and try to explain [professionalization] sufficiently so that it is also comprehensible what is actually happening at the moment, where is the journey going, why are we doing this." (OM4).</p> <p>"Many new employees have joined us in recent months, and we have noticed changes, especially among people who have been here for a very long time. They also have great approaches, but when a new colleague arrives, as we have noticed more often now, they bring new impulses with them and then draw colleagues more strongly into the process." (OM6).</p> <p>"We are moving a little bit in parallel with the goals and now of course the challenge will be to interlock them well with each other, so that they are built up in parallel with each other and do not drift off in opposite directions." (OM3).</p>	<p>"So, I try to prioritize that for me, so that that somehow works. There is, in a way, only the inner conflict, how do I somehow get these areas of work (social and profit) to fit into each other." (OM4).</p> <p>"I think that both [social and profit] is important and I don't believe that there is a conflict. I rather believe that the possibilities of combining both areas of responsibility are still being used for too little [...] it doesn't always have to be separated, but I believe that bridge-building is possible in many places." (OM1).</p>	<p>"Our own services are definitely important, but so are the other (social) areas of member support, you can't see them disconnected from each other somehow." (OM6).</p>

Figure 1
The Influence of Hybridization Capabilities on the Emergence of Intraorganizational Hybridization Differences



Paper 4
**Role Adoption and Role Retention: Role Flexibility as a Mechanism for HR Role
Transformation Tensions**

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Role Adoption and Role Retention: Role Flexibility as a Mechanism for HR Role Transformation Tensions

Abstract

Research emphasize that transforming roles in relation to existing identities and working practices often lead to tensions. Although role transformation occurs in almost every occupational group, as well as hierarchical level, one area has been particularly affected by this role transformation. Adopting and retaining new roles in order to contribute to organizational goals is an essential part in the working life of human resource (HR) practitioners, which has become particularly evident in recent years due to changing sustainability requirements and hybridization efforts of organizations. Although existing HR literature is making progress in identifying tensions in the HR field, there is a lack of empirical evidence on the tensions faced by HR practitioners as they adopt to new HR roles. The purpose of this study is to address this gap by investigating how and why tensions arise in HR role transformation, how and why they affect HR professionals' role adoption and retention, and how these tensions can be addressed. Based on a qualitative inductive single case study of role transformation in the German non-profit sector, this study contributes to a neglected area of human resource management (HRM) research. The findings suggest that role transformation tensions arise due to tensions between cognitive and structural flexibility, subsumed under the construct of role flexibility, a mechanism that influences the adoption and retention of new HR roles. In this context, the findings suggest that differentiation approaches and orientation resources are important for the adaptation of role flexibility.

Keywords: *HR role transformation; role tensions, role flexibility; tension management, role adoption, role retention*

Introduction

Roles can be understood as a notion of appropriate activities and goals that apply to particular individuals or social positions (Scott, 2013). They can also be regarded as a network of interactions and relations, whereby identities are constructed in the context of the respective role (Farmer, Tierney, & Kung-Mcintyre, 2003; Simpson & Carroll, 2008). Due to environmental changes and shifting societal demands, roles are not permanent elements, but dynamic entities that are subject to transformation (Nicholson, 1984; Simpson & Carroll, 2008). In recent years the human resource (HR) field in particular has been part of major changes which render the phenomenon of role transformation here as particularly visible.

For example, within the profit context, environmental changes, such as requirements from stakeholders for more sustainability superseding especially existing HR roles, such as strategic business partners (Ulrich, 1997) as only adding value when contributing to performance goals (Ehnert, Harry, & Zink, 2014; Wright, Nyberg, & Ployhart, 2018). Within the nonprofit or third sector, the roles of HR professionals have been subject to transformation as nonprofits seek to professionalize and thus relieve HR functions from routine administrative tasks and focus on strategic and change management issues (Francis & Keegan, 2006). Additionally, the emergence of new organizational forms, such as hybrid organizations, has resulted in changing requirements for the roles of HR practitioners (Belte, 2021).

Hence, this variety of required roles indicates that an essential component of the HR role itself is transformation. This study focuses in particular on the role transformation of HR practitioners within the nonprofit professionalization respectively nonprofit hybridization context whereby the HR role transformation here consists of a professionalization of a previously administrative role.

Transforming roles involves abandoning familiar structures, routines and identities, some of which have been built up over many years. For example, within the nonprofit professionalization context, in this study referred as nonprofit hybridization, human resource

management (HRM) is claimed to take on the role to enhance the performance of these organizations (Akingbola, 2013; Guo, Brown, Ashcraft, Yoshioka, & Dong, 2011; Ridder, Piening, & Baluch, 2012). Additionally, Baluch and Ridder (2020) emphasize a manifestation of a HRM type that is not corresponding to an ideal type of value-based or strategic HRM (see also Akingbola, 2013; Guo et al. 2011) but that is a “third way” (Ridder et al., 2012) or a hybrid type.

In this context, it is not surprising that role transformations with regard to a more strategic or even hybrid role create tensions. Previous research emphasizes that the transformation of HR roles leads to tensions as HR practitioners struggle to balance their various roles between operational and strategic activities and people-centered and business-centered interests (Cascio, 2005; Francis & Keegan, 2006; Marchington, 2015; Ulrich, 1997; Wright & Snell, 2005). For example, Holbeche (2009) and Sheehan, Cieri, Greenwood, and van Buren (2014) emphasize tensions, such as role uncertainty and role conflict that are induced by structural changes, an unclear scope of the role itself, and missing responsibility structures of HR professionals. Moreover, tensions emerge as HR professionals have increasingly been urged to develop new competencies when adopting to roles (Ulrich, 1997; Ulrich & Brockbank, 2005; Ulrich, Younger, Brockbank, & Ulrich, 2013).

However, although these studies provide significant insights into tensions within the HR role, they neglect to examine how and why these tensions influence the adoption and retention of HR roles. Moreover, although existing HR literature is making progress in identifying tensions in the HR field, there is a lack of empirical evidence on the tensions faced by HR practitioners as they adopt to new HR roles. However, it is important that HR practitioners are able to adopt new roles that are required to fulfill the (changing) organizational goals. Accordingly, it is essential to examine the tensions that arise during HR role transformation in order to implement appropriate measures that help HR practitioners to best embrace their new role.

This article addresses this gap by investigating the following research questions:

How and why do tensions of HR role transformation emerge within nonprofit hybridization?

How and why do these tensions affect the adoption and retention of HR roles?

How are tensions of HR role transformation managed?

The findings of this study are based on data from a qualitative and inductive single case study in a nonprofit organization (NPO) in Germany, which will be referred to as ‘AidCorp’. This research context was chosen because nonprofit HR roles are far less defined than those of formalized professionals, and becoming a “HR professional” therefore involves an active process of relationship, role, and identity work (Farmer et al., 2003). This suggests that the nonprofit sector is an ideal context to examine how HR practitioners adapt to their new roles, what tensions arise in the process, and what opportunities there are to address these tensions. In addition, this context was chosen because it is particularly important that HR practitioners achieve a role transformation in order to be able to support the hybridization (professionalization) intentions of nonprofits.

This study draws on the lens of paradox theory (Jay, 2013; Putnam, Fairhurst, & Banghart, 2016; Smith & Lewis, 2011). This approach promises to better identify mechanism of HR role transformation in relation to the emergence of (identity) tensions and to explore which management approaches in addressing (paradoxical) tensions help to support HR role transformation within nonprofit hybridization.

This study offers two significant theoretical contributions to the current discussion on HR role development within hybrid contexts (Aust, Matthews, & Muller-Camen, 2020; Ulrich et al., 2013). First, by developing an empirically grounded model of HR role transformation that illustrates *role flexibility* as a mechanism that creates tensions and influences the adoption and retention of new roles. Hereby, the findings contributes to a better understanding of identity-related tensions. Second, this research contributes to paradox-theoretical assumptions by providing insights into the management or adjustment of role flexibility by illustrating how

AidCorp uses *differentiation approaches* and *orientation resources* to support the role transformation of its HR professionals within nonprofit hybridization processes.

Theoretical Background

In general terms, (HR) role transformation refers to a change in roles or role identities. Role identities involves role expectations or role perceptions, whereby the significance of the role identity depends on the obligation of the respective role. These perceptions reflect one's own behavioral expectations as well as others' expectations of the role (Farmer et al., 2003). Since there is no clear definition, this study, in line with statements from Ulrich and Dulebohn (2015), defines *HR role transformation as the adoption and retention of new role perceptions, role responsibilities, and value contributions by individuals.*

HR research shows that the role transformation of HR practitioners includes a transformation to sustainability enhancing roles (Aust et al., 2020), a transformation to more professional related roles (Baluch & Ridder, 2020; Ridder & McCandless, 2010), as well as a transformation to hybrid roles (Belte, 2021). Related to the nonprofit context it can be suggested that HR practitioners perceive their role as being administratively supportive embracing a value proposition that can be seen more in the pursuit of social goals as HR research emphasize rudimentary HR practices and administrative HRM approaches within NPOs (Ridder, Piening, & Baluch, 2012). Thus, considering the hybridization effort of nonprofits and the integration of profit goals, the role of HR practitioners is subject to change requirements toward a stronger profit orientation.

The hybrid literature emphasize in this regard paradoxes arising from the pursuit of dual goals (social and profit). A paradox is defined as a, “contradictory yet interrelated elements that exist simultaneously and persist over time” (Smith & Lewis, 2011: 382). Organizational paradoxes can emerge in different areas (Putnam et al., 2016; Smith et al., 2013). In relation to the role transformation of HR practitioners in the context of nonprofit hybridization, paradoxical tensions related to the identity change of the role as well as the structural change

of the work tasks are particularly discussed. These are referred to in the hybrid literature as belonging and organizing tensions (Smith, Gonin, & Besharov, 2013; Smith & Lewis, 2011).

Belonging tensions emerge among subgroups and between subgroups and organizations as they involve questions of identity (Smith & Lewis, 2011). When attending to both business and a social mission, tensions arise that impact the individual and the collective identity (Albert & Whetten, 1985). Smith et al. (2013) emphasize that subgroups and internal conflicts are created when leaders or members experience a sense of belonging or identification with different organizational goals and values. In this context, Battilana and Dorado (2010) found that deep fault lines and intractable conflicts were created between employees as individuals were hired that inherited a distinct commercial and social welfare background. The HRM literature shows that *cognitive* related tensions in the responsibility of HR managers can be considered as an essential aspect of management (Guest & Woodrow, 2012). Aust, Brandl, Keegan, and Lensges (2017) emphasize that it remains vague what HR practitioners can do cognitively and emotionally in terms of their mindsets, attitudes, or skills.

Organizing tensions emerge from divergent internal dynamics, such as structures, practices and processes as social missions and business ventures involve different human resource practices. Battilana and Dorado (2010) demonstrate organizing tensions by investigating an organization that struggled who to hire as different skills were needed with regard to their social mission, as well as to business tasks. The HRM literature indicates that *structural* related tensions emerge due to continuously changing formal arrangements outside organizations and informal adjustments within specific workplaces (Watson, 2012).

Also, regarding the management of tensions, paradox theory has become particularly prominent within the HRM realm (Aust et al., 2017; Cunha, Gomes, Mellahi, Miner, & Rego, 2020; Gerpott, 2015; Keegan, Brandl, & Aust, 2019; Marchington, 2015). Tensions that are experienced and associated with paradoxes can evoke different kinds of responses that can be either proactive or defensive (Lê & Jarzabkowski, 2015). The hybrid literature shows that

individuals respond to paradoxical tensions by integrating or differentiating distinct identities, forms, or rationales (Battilana, Besharov, & Mitzinneck, 2017). While integration approaches bring the different components together, differentiation approaches separate them into different organizational areas.

In summary, existing research reveals numerous tensions associated with HR roles and emphasizes the problematics of paradoxes. However, although previous studies provide significant insights into tensions within the HR role, they neglect to examine how and why tensions emerge concerning HR role transformation within the context of nonprofit hybridization. Furthermore, although knowledge about the management of tensions is available, it remains largely unknown how tensions of role transformation are managed. This paper aims to address this gap by investigating the following research questions:

How and why do tensions of HR role transformation emerge within nonprofit hybridization?

How and why do these tensions affect the adoption and retention of HR roles?

How are tensions of HR role transformation managed?

Method

Given limited theoretical foundations and empirical evidence on tensions of HR role transformation and their management, an inductive single-case study has been conducted (Eisenhardt, 1989; Yin, 2014). Following a purposive theoretical sampling strategy, AidCorp, a main welfare association that operates in the federal state of Lower Saxony in Germany, has been chosen for data collection (Eisenhardt & Graebner, 2007; Patton, 2002; Ridder, 2017). AidCorp represents an exemplar case for investigating tensions of HR role transformation as this organization undergoes hybridization that involves a significant transformation of the HR role (Yin, 2014). This transformation consists of professionalizing the formerly rather administrative role of HR practitioners by assigning them tasks that correspond to the design of a strategic oriented HRM in order to support the professionalization intention of AidCorp. This includes, for example, the more professional selection of qualified employees, conducting

employee evaluations, as well as offering appropriate development and qualification opportunities and establishing a talent pool.

Data Collection

For data collection, a multi-method design was adopted (Eisenhardt, 1989). The main data sources were semi-structured interviews and non-participant observations. Altogether, data were collected over an 11-month period and was stopped as theoretical saturation was reached (Corbin & Strauss, 2015).

35 semi-structured interviews with employees and managers of AidCorp were conducted in two steps. In the first step, applying purposive sampling criteria (Miles, Huberman, & Saldana, 2020) interviewees were selected from a workshop series as part of the overall hybridization process of AidCorp. Attention was paid to selecting interview partners from different hierarchical levels as well as functions in order to increase the validity of the data and to reduce information bias (Aguinis & Solarino, 2019).

The second step involved the identification of additional interviewees who were not in the workshop series, such as mostly of the HR practitioners. This two-step approach led to the connection with interview partners who could provide an experienced overview of AidCorp's professionalization efforts, as well as a comprehensive insight into the HR role transformation process. Hereby, HR practitioners provided the expertise on the tensions of role transformation and the other interviewees provided insights on the overall professionalization context and embeddedness of HR role transformation. Interviewees were assured of anonymity and confidentiality during interviews to increase the accuracy and validity of the data collected (Alvesson, 2003; Davis & Eisenhardt, 2011).

Since the size of the departments in several areas does not allow a concrete position designation of the participants in the subsequent reporting of the interview data, participants are identified by assigning them a number between 1 and 34 and include the prefix E for employee and M for manager. In addition to the interviews, data from about 39 hours of non-

participant observation were collected during an internal workshop series on AidCorps restructuration process. The observational data were used to triangulate and contextualize the interviews (Davis & Eisenhardt, 2011; Marshall & Rossman, 2011). Lastly, the interview and observation data were complemented with archival data on AidCorps mission statute, position statements, organization chart, workshop presentations, and personnel target image.

To increase the reliability of the results and to reduce inaccurate data as well as information bias, triangulation was applied within and between the data sources (Marshall & Rossman, 2011). Other quality criteria such as robustness and validity of the findings were also taken into account during the data analysis. Accordingly, the preliminary relationships that emerged from the data were presented to the heads of HR and organizational development as well as various HR practitioners. This procedure is referred to as "member checking," which is intended to determine whether the preliminary relationships obtained through data analysis are considered accurate by the interview participants (Creswell & Miller, 2000; Morse, Barrett, Mayan, Olson, & Spiers, 2002). By triangulating data from multiple informants, across organizational levels, a rich blend of diverse data sources was obtained offering in-depth insights into the role transformation.

Data Analysis

Data analysis was conducted in several iterative steps (Miles et al., 2020). Initially, the coding and compilation of data was based on constructs from the hybrid literature. For this purpose, a code book was developed prior to data analysis and updated with new codes that emerged during the analysis in order to be able to apply a systematic approach to the coding process (Creswell, 2009; DeCuir-Gunby, Marshall, & McCulloch, 2011). To be able to reduce data without losing sight of the evidence chain, a case history for Aid Corp was constructed based on the coded interview data, observations, and documents (Eisenhardt & Graebner, 2007). This history described the content of the HR role transformation and the hybridization context and was used for the case analysis. By comparing codes within and across data sources

(Eisenhardt, 1989), common empirical themes were identified. These findings were compared with previous hybrid literature on (paradoxical) tensions to identify commonalities and differences, which also improved internal validity (Eisenhardt, 1989). Iterating among empirical themes and the hybrid literature, the data analysis moved from empirical themes to emerging patterns to emergent theoretical constructs of tensions of HR role transformation (Eisenhardt, 1989; Gioia, Corley, & Hamilton, 2013). This procedure is consistent with recommendations to establish the rigor of case study research, and increase internal validity, construct validity, external validity, and reliability (Eisenhardt, 1989; Gibbert, Ruigrok, & Wicki, 2008; Yin, 2014). An overview of the data structure that emerged during this iterative process is provided in Table 1.

Insert Table 1 about here

Findings

The findings section is organized to correspond to Figure 1, which illustrates the grounded model that emerged from the analysis and captures the constructs and relationships that describe the HR role transformation. As depicted in the model, *role flexibility*, consisting of tensions induced by cognitive and structural flexibility, is identified as a central mechanism influencing HR role transformation. Cognitive and structural flexibility result in HR practitioners not adopting or retaining new (professional) roles; instead, they reinforce a relapse into the old role comprehension which is characterized by social values and rather administrative tasks. Finally, the model indicates that a *differentiation approach* and *orientation resources* can enhance role adoption and role retention by adjusting role flexibility.

Insert Figure 1 about here

Role Comprehension

The findings indicate that AidCorps HR practitioners don't have a clear understanding of their HR role. This is because HR related tasks are often performed by employees who are also responsible for other business areas, such as financial accounting. As so many of these employees do not possess HR-related competencies or expertise. This is also related to the fact that AidCorp did not employ a dedicated HR department for a considerable time. Instead, the district managers were responsible for key HR-related activities such as employee selection, hiring and development, as well as the management of HR staff in the district association. As a result, the HR staff within the individual district associations were characterized by different *work perceptions* with regard to HR related activities. However, the findings reveal that HR activities were guided by the social values of the organizations instead. These social values stem from AidCorp's overarching mission, which are ultimately reflected in HR employees' *social role values* (see Table 2).

Role values. Role values describe the underlying values that the role contains. With regard to the role values of AidCorps HR practitioners, social values are regarded as an essential part of the work. As such HR practitioners are primarily focused on social well-being rather than economic efficiency. Moreover, HR policy decisions, e.g. the approval of overtime, were justified on the basis of AidCorp's social goals or social mission. An HR manager stated: “*Some of the HR staff said that they cannot do certain tasks that should be normal for HR people (pay attention to the compliance with the work hours), because then one side (the nurses) will have difficulties finishing their work and we will not be able to serve our customers*” (M33). The role values are shaped by the belief that the social mission must be fulfilled under all circumstances. In the observations during the workshop series, it was often emphasized that AidCorp, as a social service provider, depends on its services being demanded by their customers. These social values dominated the HR employees' role comprehension, which was mission-focused rather than HR work-related. This implies that the identification of HR

employees was more in line with the social mission of AidCorp (including member support) than with AidCorps professionalization intentions and corresponding professionalization requirements of the HR role. While other employee groups, e.g., nursing, emphasized affiliation with their work role, HR employees in particular emphasized their overall affiliation with the district associations or AidCorp in general. As one HR employee states: *"Everyone felt like an "AidCorper" and always thought outside the box [...] so you did not feel like being part of a HR department, you felt like a part of the company"* (E32).

Insert Table 2 about here

Work Perception. Social role values also shaped AidCorps human resources professionals' perceptions of work. As one HR professional explains: *"AidCorps selected staff (for HR work) with a background in office administration who worked part-time and offered them the opportunity to do additional HR work because it was largely administrative HR work"* (E32). This indicates that HR work tasks are not perceived as "professional" and accordingly HR work can be performed by anyone. In addition, HR employees' understanding of their work does not arise from formal training or prior experience, but rather primarily *"through learning by doing"* (E34). Another aspect of work perception that could be gleaned from the data was that HR tasks are independently structured and not based on formal policies or procedures. Accordingly, HR work is performed according to individual perception and understanding. This was promoted by the fact that the individual district associations act independently of one another as a manager illustrates: *"The district associations used to be small principalities; each one acted more or less independently and developed its own concept, with regard to HR work"* (M30). Due to a lack of central administration, everyone *"knitted their own rules"* (E34). As no standardized work procedures existed, tasks such as the recruitment of new employees were carried out locally with *"more or less skills, depending on competencies"* (M20). Another

component of the work perception is that the HR role is not entirely filled with HR-related work, as one HR manager noted: "*HR employees are not 100% occupied with HR work, but also take on additional responsibilities such as financial accounting or other administrative tasks*" (M20). However, this was not seen as a contradiction, but as a prerequisite for fulfilling the social mission. As such, non-resident work was accepted as naturally given.

Role Flexibility

As an effect, the transformation of role values and work perceptions led to the emergence of tensions due to an incompatible adjustment of *cognitive* and *structural flexibility*. Cognitive flexibility refers to the flexibility to mentally disassociate from values that define the current work role and to embrace new values that define the new role. Structural flexibility refers to flexibility that is determined by external factors such as guidelines, job descriptions or specified work processes. The findings show that tensions emerged due to a low cognitive flexibility of HR professionals combined with a high structural flexibility in the organization, which are subsumed under the construct of role flexibility, which describes the flexibility to transform. The mechanisms underlying the construct of role flexibility will be outlined in detail below. Table 3 provides additional supporting evidence showing representative data from interviews and observations.

Cognitive flexibility. The findings reveal that low cognitive flexibility induces tensions of HR role transformation toward a professionalized HR role, due to strong emotional involvement and departure from familiar social structures and administrative routines. As one HR manager describes: "*This (role change) is a very emotionally loaded topic, which leads to many people saying 'I don't do it like that' "* (M4). Moreover, HR employees are increasingly perceiving conflicting demands between AidCorp's economic capabilities and financial situation and its social mission as one HR manager describes: "*They don't see themselves in the (professional) role*" (M2). Another HR manager specifies these cognitive tensions between

social values and new economic role orientation vividly: *"There are always two hearts beating in my chest"* (M31).

In addition to emotional involvement, low cognitive flexibility induces tensions that are also manifested by being forced to abandon familiar structures and routines. This became clear during observations with regard to the design of AidCorp's target image as conflicts around the combination of economic efficiency and social mission were emerging. To this end, one HR manager described: *"There is a lack of willingness to change"* (M2). Another HR employee specified this statement in an interview and noted: *"Not everyone is that flexible, they have a hard time letting go."* (E34). Similarly one manager mentioned: *„We have a problem concerning the mindset."* (M20).

Insert Table 3 about here

Structural flexibility. In addition to low cognitive flexibility, the data analysis revealed that high structural flexibility induces tensions, which arose due to a lack of strategic orientation and a missing distinct vision of what exactly this new professionalized HR role entails and how this role is to be performed. As one HR employee comments: *"The strategy is constantly being reversed. What you plan today can be completely different tomorrow and that is also a challenge that we are struggling with right now."* (E34). These tensions hinder the transformation of the HR role, as it remains unclear which tasks are associated with the new HR role and where the organization is heading. In this regard, an HR employee vividly illustrates that: *"It was said that my position was needed, but it was not defined or at least not communicated what that position would look like in the future"* (M2).

The high structural flexibility also induces tensions evident at the task-level due to an unclear assignment of roles and responsibilities, as one HR staff member elaborates: *"Some things also remain unfinished because responsibilities are not clarified."* (E32). These tensions

are reinforced by the fact that AidCorp not only redefines the HR role and places new demands on HR staff, but also reorganizes other areas (Observation 1 and 2). For example, one HR employee describes how his work assignment in another area affects his current HR tasks: *"I'm still in the process of taking on the role because I switch back and forth to old tasks"* (E17). This issue is compounded by the fact that many HR employees had dual roles within the organizations and were preoccupied with other work tasks, which led to a relapse into old role patterns. An HR employee explains this as follows: *"The scope is currently so large that old structures are being adopted even though they are no longer desired"* (E18).

Role Adoption and Role Retention

The tensions described above induced by low cognitive and high structural flexibility influenced the transformation outcomes concerning the *adoption* and *retention* of a new professionalized HR role. Below it is described how tensions of low cognitive and high structural flexibility were managed by applying *differentiation approaches* and *orientation resources*. Table 4 provides examples of representative data from interviews and observations.

Role Adoption. As previously argued, HR practitioners' activities and work perceptions are guided by AidCorps social values. The adoption of the new professionalized HR role was undermined by a low cognitive and high structural flexibility, which led to a relapse into the old role comprehensions. The findings indicate that AidCorp tried to mitigate these tensions by adopting a *differentiation approach* to separate the HR practitioners from the operational base as a relapse to old work practices was particularly fostered by HR practitioners who felt responsible for multiple tasks and trying to maintain day-to-day operations at all costs to fulfill the social mission. As one employee describes: *"It is better if you keep it separate, so that HR staff are no longer involved in day-to-day business"* (E31). This was also fostered by hiring new employees from outside the organization who were unfamiliar with the old role comprehension: *"So somehow they (new employees) are differentiated from the services"* (E30, E32). This illustrates that new employees with different professional backgrounds are particularly suited

to foster role adoption. An employee states: *"With new employees there is not even the question, can you do that too? This helps to clarify the structure again"* (E23).

The findings further reveal that *orientation resources* contribute to role adoption. These resources contain the creation of transparency and a sense of purpose for a new HR role. Since tensions in emotional involvement and insecurity especially arise from leaving value-laden structures when taking on a new role, reducing these tensions is crucial. One HR manager explains that: *"We must create as much transparency as possible as to why decisions are made, so that we can see how we can formulate this in such a way that it reaches the HR departments"* (M30). Therefore, the early involvement of HR staff is essential to support role adoption by *"Ideally picking them up and showing them why it makes sense"* as one HR manager confirms (M6). Ultimately, the support of managers in establishing safety and trust, has been indicated as essential for successful role adoption. Additionally, uncertainties in the new role tasks are reduced by support and guidance from experienced HR managers. An HR manager explains: *"What I'm trying to do at the moment is to always be there, to always be approachable and to take care of questions, even if I can't answer them at the moment"* (M30).

Insert Table 4 about here

Role Retention. The findings show that that also in the case of role retention a separation from old work tasks is necessary to mitigate tensions of role transformation. AidCorp relies on differentiation approach in strictly differentiating or even isolating HR practitioners from the old role comprehension. This cognitive separation from previous tasks even goes as far as one HR employee describing that he *"sits on the other side as an HR practitioner in the future"* (E18). Generally, the results show that a strong focus on social values was the most difficult barrier to role retention and could only be overcome by clearly delineating old and new understandings of the role. For example, one HR employee emphasize: *"I'm ready to say no to*

the other thing I don't do anymore [...] so I totally demarcate myself there" (E14). This cognitive delineation was supported by structural differentiation. AidCorp's original substitution arrangement involved staff of all types filling vacant positions to maintain day-to-day operations. To avoid a relapse to its old role, AidCorp has now transitioned to the regional representation. As an HR employee explains: *"There are now new regulations that you no longer represent yourself locally in the district association, but in the region, that you are then networked with each other"* (E34).

The data also suggest that structural flexibility induced tensions that arose due to an unclear strategic vision and task description, can be alleviated by providing *orientation resources* such as clarifying responsibilities and areas of accountability. In this regard, an HR employee states: *"What would help us not to lose sight of the (personnel) target image is to create job descriptions for other areas in order to clarify responsibilities, because at the end of the day everything that is undefined and not yet clarified ends up in the HR department"* (E30). The case data also reveal that high structural flexibility not only influences the adoption and retention of the new role by existing employees but also the development of a consistent role comprehension by new employees. An HR employee explains: *"Especially for the new employees, you have to provide a structure without the structure already being fixed, because they have to find their way somewhere"* (E12). The orientation resources that AidCorp sets up here is the formation of teams fostering the promotion of networking structures. The results show that teams ensure that tensions of role adoption are mitigated by increased contacts. This was further supported by the development of support structures. As one HR employee illustrates: *"What has helped us move forward is to know who is my contact person and with whom I can network with on individual issues"* (E31).

Discussion

Addressing the first and second research question, the model illustrates that central for the emergence of tensions is the manifestation of *role flexibility*, which, at AidCorp, is

characterized by low cognitive flexibility, and high structural flexibility. Concerning tensions induced by cognitive flexibility, the hybrid literature emphasizes belonging tensions that involve questions of identity (Besharov & Smith, 2014; Smith & Lewis, 2011). For example, Tracey and Phillips (2007) mention belonging tensions of leaders as they face questions from employees about the social or profit alignment of the organizational goals. The findings illustrate that new roles are not adopted because of strong cognitive tensions about inherent social values that guide the role comprehension and work practices that are misaligned with the new HR role. Moreover, role adoption and role retention are impeded by tensions induced by structural flexibility. Taken on the insights from hybrid literature, the model suggest that identity tensions (Chreim, Williams, & Hinings, 2007; Kodeih & Greenwood, 2013) in particular pose a problem in HR role adoption, while organizing tensions pose a barrier to retain HR roles (Smith et al., 2013). This implies that a low cognitive flexibility promotes belonging tensions and thus hinders the adoption of new HR roles, while also inducing relapses to old HR role comprehensions. Whereas cognitive flexibility is low, structural flexibility is high, so that HR practitioners struggle with a lack of strategy and inconsistent structures and processes with regard to tasks and responsibilities.

Addressing the third research question, the findings show that the manifestation of AidCorps role flexibility was adjusted by applying a *differentiation approach* and providing *orientation resources* that managed the tensions induced by cognitive and structural flexibility. AidCorps differentiation approach consisted of the separation of the old and new role comprehension, as social goals, which dominated the old role comprehension could not be reconciled with the new HR role. Moreover, the differentiation approach also consisted of a clear separation of HR-related tasks.

Recently, the hybrid literature suggests that integration or combination approaches are more effective in managing tensions, as differentiation approaches can intensify the risk of internal conflict (Battilana, Besharov, & Mitzineck, 2017). Moreover, the HRM literature

emphasizes that management decisions based on differentiation by choosing either/or responses can lead to vicious cycles (Aust, Brandl, & Keegan, 2015; Jarzabkowski, Lê, & van de Ven, 2013; Keegan et al., 2019; Putnam et al., 2016). Vicious circles occur when either/or decisions are made in the case of conflicting elements, e.g., when an element is neglected yet plays a role with respect to responding to complex competitive conditions (Keegan et al., 2019). However, AidCorp could adjust its role flexibility, by applying differentiation. In contrast to existing findings concerning the management of tensions, the present findings suggest that a differentiation strategy can be valuable in addressing tensions of HR role transformation when the (social) value orientation of the old and new HR role differ substantially. Accordingly, the study suggests that the success of tension management strategies is likely to depend on the divergence of the old and new value orientations.

The findings also show that AidCorp implements orientation resources. Similar approaches can be found in the hybrid literature. For example, Battilana, Sengul, Pache, and Model (2015) suggest that structurally differentiated organizations can avoid conflicts by creating spaces of negotiation. They describe these spaces as arenas of interaction that allow employees to discuss and come agree on how to handle contradictory demands throughout the organization. Battilana et al. (2015) emphasize spaces such as the combination of meetings and work plan scheduling, however, additional orientation resources could be identified within this research. The findings shows that AidCorp relies on the formation of regional teams as orientation resources. These teams are designed as network structures to ensure that HR practitioners support each other when tensions arise so that they not have to deal with them on their own. These network structures also include experienced HR managers providing support with their knowledge to HR practitioners who are in the process of role adoption.

Conclusion

This paper aimed to investigate tensions of HR role transformation, their influence on the adoption and retention of HR roles, and their management. Drawing on findings from the

hybrid literature, a model of HR role transformation was developed that illustrates these tensions and their management. However, some limitations must be mentioned.

First, the specific setting of the study must be taken into account when interpreting the findings. AidCorp is a social service provider whose HR staff was characterized by a particularly strong social value orientation. Not all organizational forms are likely to have the same conditions or the same role comprehension, which could alter the manifestation of role flexibility concerning tensions induced by structural flexibility and especially by cognitive flexibility. Thus, studies are required to conceptualize role flexibility more precisely by specifying other possible manifestations in different contexts. Moreover, future research should further explore the components of role flexibility, i.e., cognitive and structural flexibility, as well as investigate whether other components can be identified, e.g., in other study contexts. Additionally, forthcoming studies should examine what additional management approaches are being applied in organizations to address role flexibility and compare them with the existing findings from this study.

In conclusion, this study offers theoretical as well as practical contributions. From a theoretical perspective, the central contribution of this study is the development of an empirically grounded model of HR role transformation. By highlighting the construct of *role flexibility* as a mechanism that induces tensions and influences the adoption and retention of new roles the model hereby contributes to specifying research on HR role tensions (Sheehan et al., 2014). Accordingly, the model can be considered as a starting point for future research in which, for instance, comparative case studies and large-scale qualitative surveys can refine, extend, and validate the underlying relationships. Moreover, the article contributes to paradox-theoretical assumptions (Aust et al., 2020; Putnam et al., 2016; Smith et al., 2013) by providing insights into the adjustment of role flexibility by illustrating how AidCorp uses differentiation approaches and orientation resources to support the role transformation of its HR professionals. Contrary to existing assumptions about managing paradoxical tensions, a differentiation

approach could be identified as useful for addressing role transformation tensions within a (social) value-laden context.

In practical terms, the findings emphasize, that HR role transformation is a complex task that induces tensions. Thus, to support role transformation, the implementation of management activities is required to adjust role flexibility. However, practitioners should also consider that adjusting role flexibility does not imply to abandon a role completely, but the flexibility to transform within a superordinate role comprehension, in this case the (current) HR role. This means that HR managers are first responsible for illuminating the current role comprehension, and then providing appropriate measures to support the desired transformation. This implies the support of cognitive flexibility as well as the promotion of structural security (see also Smith & Besharov, 2019). These activities could include approaches that reduce complexity for HR practitioners, such as the provision of orientation resources and differentiation strategies. Moreover, organizations should create and foster resources to guide HR employees in their development to a new role. This could include the formation of team structures and the support by experienced HR managers.

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Table 1
Overview of Data Structure

Emergent Theoretical Constructs	Emerging Patterns	Empirical Themes
Role Comprehension	Role Values	<ul style="list-style-type: none"> • Social values as essential part of the work • Identification of employees with the organization as a whole
	Work Perception	<ul style="list-style-type: none"> • HR work can be performed by anyone • HR work is performed according to individual perception and understanding • Acceptance of non-resident work is naturally
Role Flexibility	Cognitive Flexibility	<ul style="list-style-type: none"> • Emotional involvement • Leaving familiar structures and routines • Lack of skills and increasing responsibility
	Structural Flexibility	<ul style="list-style-type: none"> • Strategic design influences role detection • Unclear assignment of roles and responsibilities • Preoccupation with other duties
Role Adoption and Role Retention	Differentiation Approach	<ul style="list-style-type: none"> • Separation from the operational base • Hiring new employees • Creation of transparency and a sense of purpose • Cognitive separation from previous tasks • Structural differentiation
	Orientation Resources	<ul style="list-style-type: none"> • Providing qualification • Establishing safety and trust • Clarification of responsibilities and areas of accountability • Promotion of networking structures

Table 2
Patterns for Role Comprehension

Emergent Theoretical Constructs	Empirical Themes and Representative Data
Role Values	<p><i>Social values as essential part of the work</i></p> <p>“Some of the HR staff said that they cannot do certain tasks that should be normal for HR people (pay attention to the compliance with the work hours), because then one side (the nurses) will have difficulties finishing their work and we will not be able to serve our customers.” (M33).</p> <p>AidCorp, as a social service provider, depends on its services being consumed by customers (observation M3).</p> <p>“As a HR manager, your job is behind the front line. The important people are the ones that work in the social services for our customers.” (M6).</p> <p><i>Identification of HR employees in line with the social mission</i></p> <p>“Everyone felt like an "AidCorper" and always thought outside the box [...] so you did not feel like an HR department, you felt like a part of the company.” (E32).</p> <p>“The HR managers in the district associations see themselves as employee representatives. For this reason, it is unlikely that anyone is prepared to issue a warning to an employee, as they are perceived as colleagues.” (M2).</p>
Work Perception	<p><i>HR work can be performed by anyone</i></p> <p>“AidCorp selected employees (for HR work) with backgrounds in office administration who worked part-time and offered them the opportunity to do additional HR work as it was largely administrative HR stuff.” (E32).</p> <p>“Learning by doing.” (E34).</p> <p><i>HR work is performed according to individual perception and understanding</i></p> <p>“The district associations used to be small principalities; each one acted more or less independently and developed its own concept, with regard to HR work.” (M30).</p> <p>“They knitted their own rules.” (E34).</p> <p>“More or less skills, depending on competencies.” (M20).</p> <p><i>Acceptance of non-resident work is naturally</i></p> <p>“HR employees are not 100% occupied with HR work, but also take on additional responsibilities such as financial accounting or other administrative tasks.” (M20).</p>

Table 3
Patterns for Role Flexibility

Emergent Theoretical Constructs	Empirical Themes and Representative Data
Cognitive Flexibility	<p><i>Emotional involvement</i></p> <p>“This (role change) is a very emotionally loaded topic, which leads to many people saying ‘I don’t do it like that’” (M4).</p> <p>We are a social service provider (archival data).</p> <p>“They don’t see themselves in the (professional) role” (M2).</p> <p>“There are always two hearts beating in my chest” (M31).</p> <p><i>Departure of familiar structures and routines</i></p> <p>Conflicts were visible in the discussions about how to shape AidCorp’s mission statement.</p> <p>“There is a lack of willingness to change” (observation 1, M2).</p> <p>“Not everyone is that flexible, they have a hard time letting go” (E34).</p> <p>“We have a problem concerning the mindset” (M20).</p>
Structural Flexibility	<p><i>Lack of strategic orientation</i></p> <p>“The strategy is constantly being reversed. What you plan today can be completely different tomorrow and that is also a challenge that we are struggling with right now.” (E34).</p> <p>“It was said that my position was needed, but it was not defined or at least not communicated what that position would look like in the future.” (M2).</p> <p><i>Unclear assignment of roles and responsibilities</i></p> <p>“Some things also remain unfinished because responsibilities are not clarified.” (E32).</p> <p>“The main problem is also that employees are not yet fully HR people, but also contribute elsewhere.” (M30)</p> <p>“I’m still in the process of taking on the role because I switch back and forth to old tasks.” (E17).</p> <p><i>Preoccupation with other work tasks</i></p> <p>Reorganization is taking place in many departments at AidCorp (observation 1 and 2).</p> <p>“I would say that it is simply because there is not enough time.” (E34).</p> <p>“The scope is currently so large that old structures are being adopted even though they are no longer desired.” (E18).</p>

Table 4
Patterns for Role Adoption and Role Retention

Emergent Theoretical Constructs	Empirical Themes and Representative Data	
	Role Adoption	Role Retention
Differentiation Approach	<p><i>Separation from the operational base</i> “It is better if you keep it separate, so that HR staff are no longer involved in day-to-day business.” (E31).</p> <p><i>Hiring new employees</i> “So somehow they (new employees) are differentiated from the services.” (E30, E32). “With new employees there is not even the question, can you do that too? This helps to clarify the structure again.” (E23).</p>	<p><i>Cognitive separation from previous tasks</i> “I sit on the other side as an HR practitioner in the future.” (E18). “I’m ready to say no to the other thing I don’t do anymore”, “So I totally demarcate myself there.” (E14).</p> <p><i>Structural differentiation</i> “There are now new regulations that you no longer represent yourself locally in the district association, but in the region, that you are then networked with each other.” (E34).</p>
Orientation Resources	<p><i>Creation of transparency and a sense of purpose</i> “We must create as much transparency as possible as to why decisions are made, so that we can see how we can formulate this in such a way that it reaches the HR departments.” (M30). “Ideally picking them up and showing them why it makes sense.” (M6). Establishing a structured information system (observation 1-4).</p> <p><i>Establishing safety and trust</i> “What I’m trying to do at the moment is to always be there, to always be approachable and to take care of questions, even if I can’t answer them at the moment.” (M30).</p>	<p><i>Clarification of responsibilities and areas of accountability</i> “What would help us not to lose sight of the target image is to create job descriptions for other areas in order to clarify responsibilities, because at the end of the day everything that is undefined and not yet clarified ends up in the HR department.” (E30). “Especially for the new employees, you have to provide a structure without the structure already being fixed, because they have to find their way somewhere.” (E12). Formation of regional teams. (archival data).</p> <p><i>Promotion of networking structures</i> “What has helped us move forward is knowing who my contact person is and who I can network with on individual issues.” (E31).</p>

Figure 1
A Model of HR Role Transformation

