

FRAMING CONFLICTING DEMANDS AND STRATEGIES FOR MANAGING HYBRIDITY IN SOCIAL ENTERPRISES

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Framing conflicting demands and strategies for managing hybridity in social enterprises

Abstract

Research has shown that social enterprises must constantly balance conflicting demands between their social and economic goals. However, little is known about the factors that shape managers' strategic choices in response to the tensions associated with social enterprises' hybrid nature. To address this issue, we conducted a case study analysis of six work integration social enterprises that draws on insights from previous literature on organisational hybrids and managerial frames. This study identifies two distinct cognitive frames that managers adopt to interpret the hybrid condition of their organisation, balancing and integrative, each of which is associated with different types of strategies for managing hybridity, defensive and exploratory, respectively. Additionally, we unveil the mechanisms through which these frames shape hybrid strategies, namely, through the representation of the environment, representation of agency, and capability to integrate conflicting prescriptions. These results underscore the individual agency of managers and their idiosyncratic cognitive processes as important explanatory factors for the wide array of strategic responses observed in the management of social enterprises.

Keywords: Social enterprise, hybrid organisations, institutional logics, paradox management, cognitive frames.

1. Introduction

In recent years, research into social entrepreneurship has seen a significant growth in studies focusing on the dynamics of the hybrid condition of social enterprises and on the resulting organisational implications (e.g., Litrico and Besharov 2019; Smith and Besharov 2019; Kannothea, Manning, and Haigh 2018; Battilana et al. 2015; Battilana and Dorado 2010). Social enterprises combine an overarching social mission –i.e., addressing social problems and grand challenges— with an economic one -i.e., generating the economic resources necessary for the organisation to be sustainable and create social value (Dacin, Dacin, and Tracey 2011). This dual mission involves two different logics, with specific priorities, that compete for limited organisational resources (Siebold, Günzel-Jensen, and Müller 2019; Ladstätter, Plank, and Hemetsberger 2018; Battilana and Lee 2014; Smith, Gonin, and Besharov 2013).

Previous literature has focused on explaining how social enterprises address the contradictory prescriptions of market and social logics (Vedula et al. 2022) by identifying both generic responses, based on the dominance relationships between logics (e.g., Pache and Santos 2013; Battilana and Dorado 2010), and specific ones which reveal practices that managers can use to reduce conflict and navigate the complexity consubstantial to hybrid organising (Mongelly et al. 2018; Battilana et al. 2015; Battilana and Dorado 2010).

However, this literature is incomplete about the factors that shape managers' strategic choices to respond to the tensions associated with hybridity. Previous research has viewed managers of social enterprises primarily as advocates of the social or market institutional logics in which they have been previously socialised, under the assumption that these logics shape their cognition and motivations and, hence, their decisions and actions (Battilana and Dorado 2010; Pache and Santos 2010). This is problematic because it gives an incomplete account of the hybrid organising of social enterprises. It narrows the discussion to identifying standardised ways of responding to conflict, ignoring both the heterogeneity of strategies that these organisations develop to manage their hybridity, and the factors that lead social enterprises to opt for specific strategies. Therefore, it imposes important limits on our understanding of how social enterprises manage their dual condition, i.e. the hybrid strategies they develop, and the factors that may lead to the adoption of specific hybrid strategies.

Building on previous literature focused on organisational hybrids and managerial frames, we seek to contribute to the understanding of the factors shaping managers' development of hybrid strategies for social enterprises. We do so by identifying: (1) the cognitive frames that managers of social enterprises activate to make sense of the hybrid condition, (2) the mechanisms through which these frames lead to specific hybrid strategies and (3) the types of hybrid strategies developed.

The literature on managerial cognitive frames suggests that managers may judge a given situation in contrasting ways according to the cognitive frames they use to interpret reality (e.g., Cornelissen and Werner 2014; Weick, Sutcliffe, and Obstfeld 2005; Weick 1995; Goffman 1974). These frames are derived from previous idiosyncratic experience in similar situations and are not specific to particular institutional logics (Cornelissen and Werner 2014). Cognitive frames strongly determine on which aspects individuals focus their attention, how they make sense of the available information, and the decisions and actions they actually take (Cornelissen and Werner 2014; Miller and Sardais 2013; Weber and Johnson 2009; Pfeffer and Salancik 1978; Goffman 1974). The use of a specific cognitive frame has enduring effects because

individuals tend to apply the same frame in all situations identified as similar, even if there exist alternative frames of interpretation (Weber and Johnson 2009; Ariely, Loewenstein, and Prelec 2003).

We focus our analysis on a specific type of social enterprise, that of the work integration social enterprise (WISE), which according to prior research may be considered a prototypical hybrid organisation (Batillana et al. 2015; Pache and Santos 2013). WISEs are an explicit approach to achieving the social and labour integration of individuals at risk of social exclusion. We conduct an inductive multiple-case method analysis of six Spanish WISEs, following the procedure recommended by Eisenhardt et al. (2016) and using within and cross-case comparison to build theory about the factors that shape hybrid strategies in social enterprises.

Our findings contribute to the literature on social enterprises as hybrid organisations by introducing cognitive frames as an important explanatory factor for the heterogeneous responses that social enterprises give to the tensions arising from their hybrid condition. We identify two managerial cognitive frames – the balancing and the integrative – and the mechanisms through which these frames shape hybrid strategies, i.e., representation of the environment, representation of agency and capability to integrate conflicting prescriptions. Finally, we describe various hybrid strategies (defensive and exploratory) that social enterprises use to manage their social and market activities. By focusing on the individual agency of managers and on their idiosyncratic cognitive processes, we derive a more complete explanation of the diverse responses made to the challenges of managing hybrid companies (Sharp 2020; Wry and York 2017; Pryor et al. 2016).

Most previous research in social enterprises assumes a conflict between dual goals and the means employed to achieve them (Batillana et al. 2015; Pache and Santos 2013; Battilana and Dorado 2010). A recent review calls for research focused on entrepreneurs' synergistic approaches to the social and economic domains (Vedula et al., 2022), beyond the traditional focus on tensions. Our paper contributes to this conversation by revealing that different cognitive frames may drive managers to perceive hybridity tensions as synergistic or conflicting. Therefore, managers may also take a holistic approach to the dual condition of their social enterprises, accepting both negative and positive aspects, thus providing a positive release to the tensions associated with their dual condition.

Our paper also provides useful insights for the management of social enterprises, by (1) creating awareness of the cognitive frames employed in the understanding of their hybrid

condition and how these frames condition management choices and (2) mapping different types of hybrid strategies that can help social enterprises balance and integrate the inclusivity-oriented tasks and economic growth of their organisations.

2. Background

2.1. Hybrid managerial strategies adopted by social enterprises

Social enterprises may be considered prototypical hybrid organisations (Smith and Besharov 2019; Barth et al. 2015; Batillana et al. 2015; Batillana and Lee 2014), blending market and social logics and spanning the boundaries of the private, public and non-profit sectors (Doherty, Haugh, and Lyon 2014). Although hybrid organisations have been studied through various theoretical lenses (Batillana, Besharov, and Mitzinneck 2017), most studies of the hybrid condition of social enterprises have adopted an institutional logics perspective and highlight the challenges implicit in managing the incompatible and competing demands of social and market logics. The importance and intensity with which market and social logics operate in hybrid organisations vary (Shepherd, Williams, and Zhao, 2019), and thus the challenges of incorporating and managing different core elements will vary too, from one organisation to another. Nevertheless, in the case of social enterprises, these tensions are likely to be preeminent due to the relatively equal importance held by the social and market logics within the venture (Shepherd, Williams, and Zhao 2019). The inevitable, contradictory but interrelated, nature of the tensions arising from the simultaneous pursuit of a social mission and of financial profitability creates paradoxical situations (Schad et al. 2016; Smith and Tracey 2016; Smith, Gonin, and Besharov 2013; Smith et al. 2012). Managers respond to this complexity by employing hybrid strategies aimed at meeting the demands posed both in the social realm and in the market.

Previous studies have identified various types of generic response by which social enterprises address the paradoxical relationship between social and market logics: for example, by prioritising one at the expense of the other (Besharov and Smith 2014; Greenwood et al. 2011), by sequencing and timing combinations of symbolic and substantive actions to address stakeholder demands (Ramus, Vaccaro, and Berrone 2021) or by selectively coupling discrete elements prescribed by each logic (Ladstätter, Plank, and Hemetsberger 2018; Pache and Santos 2013). Other studies have observed that engaging with the tensions between social mission and financial profitability can lead the organisation to devise creative new responses that build on

the common, synergetic elements of the paradox (Smith and Tracey 2016; Jay 2013; Smith et al. 2012).

Another stream of research has placed greater emphasis on the use of hybrid strategies, indicating that managers can reduce conflict and navigate complexity by socialising newly hired employees into the hybrid logic of social enterprises (Battilana and Dorado 2010), by developing partnerships, networks and clusters, by enhancing customer empowerment and inclusive employment (Ciambotti and Pedrini 2021), by involving beneficiaries in market mechanisms (Mongelli et al. 2018) or by creating spaces for debate and negotiation among the internal groups responsible for economic and social activities (Battilana et al. 2015).

Although research has identified generic and specific responses that social enterprises may give to these opposing demands, little has been said about the factors that might determine the emergence of such strategies. Studies undertaken from the perspective of institutional logics have depicted the managers of these firms as ambassadors of the logics within which they have been socialised¹, obviating the factors that condition their micro-level agency in the organisational responses to the tensions derived from the conflicting prescriptions of institutional logics (Skelcher and Smith 2015). Hybrid strategies and organisational outcomes are thus the result of interactions between exogenously determined parameters, such as the centrality of one logic over the other, compatibility between logics, prioritisation and/or jurisdictional overlap (Sharp 2020). However, these explanations offer little insight into the various ways in which managers make sense of their context and organisation or into how this variety of meanings shapes managerial action. Paradoxical situations are likely to trigger diverse sense-making processes in which individuals will activate different cognitive frames in order to understand the state of affairs and to determine the most appropriate response (Mafico et al., 2021; Miron-Spektor et al. 2018; Litrico and David 2017; Cornelissen and Werner 2014; Weick 1995).

In sum, our aim in the present study is to identify and describe the idiosyncratic cognitive frames with which WISE managers make sense of the hybrid condition of their enterprises and to consider how these frames shape different responses to the paradoxical tensions arising from this duality. Previous studies of the field of corporate sustainability have identified different types of cognitive frames that managers may employ to make sense of the conflicting demands of the financial, social and environmental dimensions of sustainability (Grimm 2022; Sharma

¹ This is so, although the perspective of institutional logics recognises that individuals have the agency to reinterpret logics prescriptions, to combine or compartmentalise elements of different logics, or to resist conflicting prescriptions (Skelcher and Smith 2015; Besharov and Smith 2014; Thornton et al. 2013).

and Jaiswal 2018; Hahn et al. 2014). In the next section, we review this literature and explain how cognitive frames work.

2.2. Managerial cognitive frames

Conceptually, cognitive frames represent an intermediate mechanism between institutional logics and the idiosyncratic interpretations and actions of individuals, based on their own experience, i.e. past learning and categorisation (Wade and Griffiths 2022; Cornelissen and Werner 2014; Mervis and Rosch 1981). This concept is thus more closely connected to action than that of institutional logic and has the potential to explain why, when faced by similar circumstances, different social enterprises express and manage their hybrid condition in different ways.

Cognitive frames can be defined as “knowledge structures that help individuals to organise and interpret incoming perceptual information by fitting it into already available cognitive representations from memory” (Cornelissen and Werner 2014, p. 187). Frames vary in their degree of precision, from rules and specific postulates to simple mental templates that activate specific interpretations. Managers use cognitive frames to reduce complexity and ambiguity (Weick, Sutcliffe, and Obstfeld 2005). Frames activated in the process of sense-making have consequences for the decisions and actions individuals take, as they determine the aspects of the situation on which attention is focused, and consequently illuminate specific courses of action (Cornelissen and Werner 2014; Benner and Tripsas 2012; Starbuck and Milliken 1988). The labels that individuals use to define situations lead them to classify the information collected from the environment into specific categories which activate specific cognitive frames (Maitlis and Sonenshein 2010; Weick, Sutcliffe, and Obstfeld 2005; Thomas, Clark, and Gioia 1993). For example, if a situation is classified as controllable, this status is conducive to change, as observed by Thomas, Clark, and Gioia (1993) in their study of strategic management in hospitals. The cognitive frames that entrepreneurs use will influence whether and how they select and exploit a particular opportunity (Mathias and Williams 2017) or adapt their business model (Grimm 2022), or may determine the financing strategies employed (Schwienbacher 2007). Moreover, the diagnosis of a situation within a positive or negative frame has important consequences regarding the actions subsequently taken by decision makers (Hoffman 2001; Weick 1993), as the information contents thus transmitted are different, making some interpretations more prominent than others (Weber and Johnson 2009; McKenzie and Nelson 2008; Entman 1993).

Cognitive frames can be characterised by content and structure (Sharma and Jaiswal 2018; Hahn et al. 2014). Frame content refers to the attributes that an individual ascribes to a specific situation, which distinguish it from other situations. In the case of social enterprises, the content of a cognitive frame of their dual condition would include the social and economic elements that managers use to describe and distinguish these organisations from others such as traditional firms or NGOs (Hahn et al. 2014; Scott, Osgood, and Peterson 1979). The structure of a frame has two dimensions: differentiation (the number of salient elements that individuals invoke to characterise the situation) and integration (the degree of interconnectedness among these elements) (Hahn et al. 2014; Walsh 1995; Bartunek et al. 1983). In the case of social enterprises, the structure of a cognitive frame regarding organisation duality would refer to how many different elements managers invoke to describe the hybrid condition of their organisation and the extent to which these elements are interconnected.

In the specific case of social entrepreneurs, Child (2020) proposes that social enterprise managers might not even allow paradoxical tensions to emerge, as they would a priori frame these tensions in such a way as to avert any such forces. However, the cognitive frames these managers use to understand the dual logics underpinning their enterprise have not been explored previously. Instead, these issues have been approached in the context of corporate sustainability. Managerial cognitive frames have been analysed to consider how managers respond to the tensions between the financial, social and environmental dimensions of sustainability. Based on Smith and Lewis (2011) and Smith and Tushman (2005), Hahn et al. (2014) identify and characterise two main cognitive frames that managers use to respond to corporate sustainability challenges: the business case and the paradoxical frame. Applying the same lenses to social enterprises, in their theoretical study Hahn et al. (2014) propose the social case frame and the paradoxical frame. The first is characterised by an alignment logic, which seeks a priori to eliminate tensions and inconsistencies between the social and commercial dimensions of the social enterprise, combining only those elements that are compatible. The second is characterised by an acceptance and accommodation of the conflicting, yet interconnected, social and commercial rationales. Based on Hahn et al. (2014)'s typology of frames, Sharma and Jaiswal (2018) analyse the dynamics of the cognitive frames of organisation managers and their subordinates in the context of multinational enterprises engaged in base-of-the-pyramid (BOP) projects. Under this approach, the business frame was added, following strict economic logic and focusing exclusively on business goals.

In sum, to better understand how social enterprises managers make sense of the hybrid condition of their organisations and to determine whether and how this response shapes the

hybrid strategies deployed, in the following section we explore the cognitive frames used by managers and consider whether and how these frames are connected to the hybrid strategies developed. Through constant dialogue between our data and the previous literature on cognitive frames and social enterprises as hybrid organisations, we seek to build a more comprehensive understanding of the factors determining specific hybrid strategies.

3. Methods

3.1. Sample and Data Collection

Under Spanish legislation (Law 44/2007), a WISE is a non-lucrative incorporated or cooperative company that conducts productive or service economy activities with the main aim of providing socio-occupational training and integration to individuals at risk of social exclusion. WISEs are promoted and owned at least partially by other private or public non-lucrative organisations specialised in the promotion and provision of employment and social integration services.

The employment insertion process can last no more than three years and is conceived as an intermediate step to provide individuals at risk of social exclusion with the social and technical skills to enable them to enter the job market once this process has concluded. For a WISE to maintain its qualification as such, the number of insertion workers employed must exceed 30% of the total workforce during the first three years following company start up and at least 50% from its fourth year of activity. According to the social report published by the Spanish Federation of Employment Integration Enterprises (FAEDEI), in 2017 a total of 6,042 people were hired by the 178 WISEs consulted and 69.84% of the workers who completed the integration programme in 2017 subsequently entered the regular labour market. On average, 78.81% of the income generated by these companies comes from their own economic activity, while 17.56% comes from public funds (FAEDEI Report 2017). The 2017 FAEDEI Report indicates that WISEs generated a social return of 5,835 euros for each full-time employment insertion position created.

In the present study, we used an inductive multiple-case method analysis of six WISEs. Initially, 20 WISEs registered in FAEDEI and its regional associations were contacted. These enterprises were selected according to criteria of size, age and geographical location. Six were willing to facilitate information and to perform the in-depth interviews required. Descriptions of all the cases analysed are shown in Table 1. Since this analysis enables us to identify common

patterns in cognitive framing among the cases, the sample size responds to the criterion of theoretical saturation.

Insert Table 1 here

A pilot study with two firms was carried out during the winter of 2017, during which the data were reviewed and a preliminary analysis performed. The pilot study enabled us to test, review and perfect the research protocols to be applied. The main study, with the remaining four firms, was conducted in the spring of 2018 and 2019. In the winter of 2022, all the WISEs were contacted again for a second round of primary data collection. Two of them, WISEs B and F, were no longer active and in two of the four remaining cases the management of the firm had changed. Three of the WISEs still active (A, C and E) agreed to participate again in the study. Table 2 provides information about the interviewees at each company and the sources of secondary data used in each case.

Insert Table 2 here

Study data were compiled using various means. On the one hand, semi-structured face-to-face in-depth interviews were conducted with managers and social workers. This approach to data collection is considered appropriate because our research aims are to determine how managers of social enterprises frame the hybrid condition of their ventures and to identify the hybrid strategies employed in response to these framings (Johnson and Rowlands 2012). Typically, the interviews lasted one hour, although in the second round of data collection, the average duration was 45 minutes. In every case, the audio was recorded, for later transcription, verbatim. The questions posed in these interviews focused mainly on the origins of the enterprise, how it operated and the main challenges it faced. In the second round of interviews, the managers were questioned on the evolution of business activities since the first interview and on how they currently viewed the dual condition of their WISEs. This primary data is the main source we used to identify managers' cognitive frames, the firms' hybrid strategies and the mechanisms linking frames and strategies.

In addition, we visited the installations of the enterprises and observed the work environment and how the members of the organisation related to each other. We took notes of these observations and also of information that interviewees provided about themselves before the interview started. This information was used to better understand each case and to complement the primary data. We also triangulated the information received by collecting

additional information from the firms' websites and other online sources, such as annual reports, a case report on one of the WISEs by a leading business school, and news that appeared in the media. This information included WISEs' initiatives, appointments of new managers, letters from the managers in charge at the time of the interview, and annual reports, when available. These secondary data sources were used to corroborate the primary information about WISE's strategic actions and to clarify how each company operated. When the secondary information included transcripts of managers' discourses about the WISE or some aspect of the dual nature of the firm, these documents were used to corroborate the interview data used to identify the cognitive frames, the mechanisms through which cognitive frames shape company policies and the strategies adopted by each WISE.

3.2.Data analysis

In view of our limited understanding of how social enterprise managers frame the hybrid condition of their organisations, and taking into account the expected variance in these cognitive frames, this study was based on an inductive multiple-case method (Eisenhardt et al. 2016), in which each WISE was treated as a case, and cross-case comparison was the primary analytic approach taken to inductive theory building (Glaser and Strauss 1967). Our approach involves two separate levels of analysis: the individual level, whereby we seek to identify the cognitive frames that managers use to make sense of the hybrid condition of their organisation; and the organisational level, examining the responses made by WISEs to the challenges posed by their duality. In all of the cases analysed, the managers consulted are the main decision-makers in the enterprise, and so the firm's responses are largely determined by their decisions (Finkelstein & Hambrick, 1996). From this perspective, individual and organizational levels merge.

In this process, we followed the basic analytical steps described by Eisenhardt et al. (2016). The first step was to create individual case descriptions including information on the manager's background and that of the enterprise, the economic activities it performed and the WISE's approach to employment insertion. These case descriptions were based on interviews and on secondary data information and were used to obtain a more holistic understanding of each case and to identify common themes and inter-case variations. These case descriptions were updated as the data were analysed and revealed both similarities and differences among the WISEs analysed.

In all cases, the managers emphasised that the organisation's *raison d'être* was to create employment opportunities for persons who would otherwise be excluded from the job market, and acknowledged the essential condition that their organisation be economically sustainable in order to fulfil its social mission. They all operate, thus, under the hybrid model of the social enterprise which combines elements of the market with the logic of social integration. To illustrate the differences between market and social institutional logics and the hybrid model of social insertion, Table 3 summarises the characteristics of the goals addressed, the employees, the target population, the key activities performed and the management principles applied, in each case.

Insert Table 3 here

However, we also observed in these case descriptions that managers differed in their approaches to the dual condition of the enterprise and that the activities performed by the WISEs, both in the social and economic arenas, differed in terms of scope and diversity. With these insights in mind, we then coded the raw data from the interviews. In this initial stage, we focused on how managers described the hybrid condition of their enterprises. This description enabled us to identify the cognitive frames used to make sense of this duality. However, to obtain this description it is first necessary to take a step up in the abstraction process and identify the semantic structures used when managers talk about the hybrid nature of their social enterprise. According to the literature on frames, the occurrence or co-occurrence of words and expressions in an individual's discourse is indicative of underlying beliefs and understandings (Cornelissen and Werner 2014). From this perspective, two main semantic fields can be distinguished in our data: one refers to the hybrid nature of the WISE, invoking conflict and counteractions between the social and economic dimensions of its activity; and the other, despite the acknowledged challenges of the situation, invokes the idea of integration between the two dimensions. These two distinct semantic fields suggest that managers use two different frames to understand and manage the hybrid condition of their enterprises. After several iterations of coding, we labelled one as the balancing frame, i.e. the one that views duality as an ongoing process of balancing between conflicting demands; and the other as the integrative frame, because the economic and social dimensions, in spite of the inherent tensions, are viewed as an integrated, defining feature of this type of enterprise.

We then coded the attributes that managers referred to when talking about their enterprises' hybrid condition. In this analysis, the data were processed using the computer-aided qualitative

data analysis package NVivo. These codes were tested for consistency between the two researchers responsible, and any mismatches were resolved by consensus. Going back to the theory on framing (Schad et al. 2016; Cornelissen and Werner 2014; Hahn et al. 2014) and then back to the data, we grouped the primary codes to highlight the content and structure of the two cognitive frames considered (balancing and integrative). In terms of content, these frames are comparable, in that both include market and social attributes that are very similar in terms of the elements approached, although their view on these elements is different (Table 3 lists the elements of the frames and the final appendix illustrates with quotes the elements of each frame). To understand the structure of the frames, we analysed the relationships between these attributes and identified specific instances in the interviews in which the managers talked about the relationships between social and market attributes.

After identifying the cognitive frames, we returned to the raw data and coded instances of what these enterprises did to resolve the tensions arising from their hybrid condition. Subsequently, these initial codes were grouped into second-order themes by domains of strategy, which enabled us to map the WISE's strategies to gain/maintain sustainability. Finally, we sought out patterns of relationships between the cognitive frames identified, the hybrid strategies used and the mechanisms that might explain these patterns. Through a continual dialogue between data and theory on cognitive frames, we grouped the first-order codes into more abstract theoretical categories which allowed us to identify the three specific factors through which cognitive frames shape strategic actions. Table 4 describes the summarised data structure, and in the final Appendix we present the whole data structure with examples of relevant quotes from the interviews.

Insert Table 4 here

The data gathered in the second round of interviews were analysed following the procedure explained above, and used to check the validity and reliability of the findings. The results of this analysis are presented in subsection 4.4. Robustness checks.

4. Findings

Figure 1 describes the conceptual model resulting from our data analysis. In this section, we present the cognitive frames used by managers to comprehend the hybrid condition of their

enterprises, the hybrid strategies developed and the mechanisms through which cognitive frames shape these strategies.

Insert Figure 1 here

4.1. Balancing and integrating managerial cognitive frames

In the data analysis section, we explained that WISE managers systematically used two semantic fields in describing the hybrid condition of their enterprises. These semantic fields indicate the existence of two cognitive frames, which we term *balancing* and *integrative*. The semantic field indicating a *balancing frame* includes words and expressions such as “tension”, “scarifying”, “difficult”, “a thousand contradictions, a thousand adjustments every day... these are hard”, “lots of conflicts”, “headache”, “this is always the bone of contention” and “it isn’t always understood”. This type of language was especially common among WISEs C, D, E, F.

Within the balancing frame, the words in the semantic field tend to have negative connotations. The managers of these WISEs have the perception that simultaneously chasing social and economic goals is both paradoxical and problematic. However, they do not address these paradoxes by leaning towards or prioritising one or other of the goals. Instead, they seek to achieve balance by making adjustments and compromises, in both respects (e.g., regarding the profile of individuals suitable for the insertion process, the type of economic activity conducted or the scope of the social mission). Managers take a win-lose approach to these paradoxes, impacting both on the economic and the social domains. The balancing frame activates a scenario whereby choices and compromises must be made, as WISEs’ resources are always scarce in relation to the problems addressed. From this perspective, compromises are unavoidable.

“...A very careful management of resources that are always insufficient to respond to so many increasing needs.” (Manager WISE D, secondary sources)

On the other hand, the semantic field revolving around the *integrative frame* includes words and expressions such as “dual logic”, “dual prism”, “dual work”, “we are a work-integration enterprise”, “more than clashing, it’s getting people to understand”, “there is no (social) mission without management”, “our model”, “dual component”, “otherwise, we wouldn’t be who we are, we’d be another type of organisation”, “that says a lot about us” (the

last two referring specifically to this dual condition). This semantic field was employed mainly by WISEs A and B.

WISE managers adopt an *integrative frame* when the tensions arising from the hybrid condition of the enterprise are not perceived as negative, but as a differential attribute that is fundamental and inherent to the firm's existence. The integrative frame implies a win-win approach to the hybrid condition of a WISE. Managers adopting this frame take a more holistic view, focusing on actions that benefit both the social and the market domains. Within an integrative frame, managers recognise the complexities of running a hybrid organisation, but also perceive that this same condition provides a greater potential to achieve both goals. Their discourse, therefore, focuses on the possibilities of developing new economic activities and gaining size, as a means to enhance job creation and, hence, labour insertion. In short, social and economic initiatives are perceived as complementary and synergistic approaches with which to increase the firm's social value.

“The business world has one rhythm, the social world has another. So, you have to combine the two to get the right pace, but without forgetting that we are a social business. More than clashing, it's getting people to understand how to work, what systems to use...” (Manager WISE A)

The analysis performed allows us to identify the content of these frames, i.e., the set of attributes that compose the balancing and integrative managerial cognitive frames of WISEs (Hahn et al. 2014). These attributes relate to both the market and the social components and correspond to essential characteristics of WISEs. At the same time, they reflect the inherent tensions and conflicts of WISEs' dual mission. In the market domain, the main attributes we identified are: (1) how managers view competition, (2) the case for providing quality products/services, and (3) the market challenges arising from non-comprehension of the WISE model. In the social domain, the main attributes are: (1) the complexity of the social insertion activity (i.e., concerns about whether the skills developed are the right ones to facilitate employment opportunities in the future; difficulties for insertion workers in acquiring soft skills), and (2) dilemmas regarding the outlook for insertion workers when their training stage is over. The final appendix provides illustrative quotes of all these attributes, for both the balancing and the integrative frames.

The balancing and integrative frames also differ in terms of structure, i.e., the degree of integration between market and social attributes. Managers who adopt a balancing frame tend

to perceive a lower degree of integration between their dual goals and, therefore, tend to alternatively prioritise one goal at the expense of the other.

“But it’s true that sometimes, due to a person’s characteristics, their age, their skills... If, say, someone is 57 years old. That means that if they leave here they’ll be collecting unemployment benefit for two years, they won’t be able to retire and once again they’ll be living on State benefits, or on their children, whatever. Well no, in that case, they’d be better off staying here to work, even if they don’t reach the minimum production levels. (Manager WISE D)”

On the other hand, those who adopt an integrative frame are better able to connect and incorporate both social and economic elements. The latter group, thus, are more inclined to view tensions in the business context as opportunities to enhance their firm’s social impact.

“So, we must have that capacity for work and expansion because in the end what people need is for us to be there to help. If we are small-minded and afraid that everything’s going to get out of hand, what we have to do is ensure that the processes and ways of working are different, in order to reach everyone. (Manager WISE A)”

The results presented in this section indicate that WISE managers use two differentiated cognitive frames to make sense of the dual condition of their organisations: balancing and integrative. The set of market and social attributes that make up these frames is the same, although the meanings these attributes convey may not always converge and the degree of integration between market and social attributes is higher among those with an integrative frame than among those with a balancing frame.

4.2. How the cognitive frame and its mechanisms shape managerial actions

By engaging in continual dialogue between data and theory on cognitive frames, we identify the specific mechanisms by which balancing and integrative frames potentially shape the actions taken by WISEs. Our data analysis shows that the activation of balancing or integrative cognitive frames is associated with different representations of reality and may ultimately affect the strategic decisions taken by WISEs (see Figure 1). We identify the representation of the environment, the representation of the agentic capacity of WISEs, and

managers' ability to integrate conflictive prescriptions as three factors that differ depending on the cognitive frame activated. In the following, we explain each mechanism and discuss its implications for the development of a WISE's hybrid strategies.

Representation of the environment

The balancing frame depicts the hybrid condition of social enterprises as an adverse situation. The two goals of the organisation are described as opposed and conflicting. The subsequent conflicts between alternative logics are viewed as overwhelming and difficult to manage: "a thousand contradictions, a thousand adjustments every day... these are hard", "lots of conflicts".

These managers tend to perceive other issues and circumstances as conflicting and adverse, and this perception of adversity expands to their evaluation of the environment, particularly as concerns competition in the market and relationships with public agencies. Managers employing this cognitive frame, thus, tend to view their business context as adverse, threatening and uncertain:

"This is a wild market." (Manager WISE C).

"And then you have to be able to handle uncertainty and live with it, you have no other choice. We live very much day to day." (Manager WISE E)

This perception of adversity and threat leads WISEs adopting a balancing frame to be extremely cautious when exploring new opportunities for economic activity and thus social and labour insertion, and can throttle their initiative and long-term planning. As one of these managers puts it:

"Of course, because there is a lot of competition, a lot of private companies, they don't pay well... So, well, I think that's what it is... You have to think about it because now getting into somewhere that you're going to have to leave, that's worse, it's better to forget it, don't go there in the first place." (Manager WISE D)

The WISE's relationship with the public administration plays a crucial role in terms of obtaining the financial support needed to compensate for the WISE's higher operating costs, but also in terms of offering business opportunities by outsourcing specific services to WISEs.

Managers employing a balancing frame tend to view this relationship as uncertain, even conflicting and definitely not supportive enough:

“The taxman is killing us, they’ll find some screw-up and they’ll eat us alive.” (Manager WISE E)

“And this support is offered every year, but this year they told me that it won't be available, and now this thing has happened and it's not for us, or that client now puts the process out to tender and we don't win it. All of which means I have to lay off somebody, or their contract finalises, and what can I do, do I keep them on, well OK, six more months. But then it's the last six months... But, of course, there are always difficulties and not everything is so pretty.” (Manager WISE D)

“And then, the law doesn't really help insertion companies, because we need more economic support, but not just financial support, because otherwise we'd go for support as our first aim, but more institutional support for the market that we're working in. I mean, I'm not saying that if the Town Hall wants to have a renovation project done that all of the workers have to be insertion people, because maybe the job would never get finished, but they should tell the company that gets the contract that five of the workers have to come from an insertion process and be living in this town [...] that should always be the case, because it's essential.” (Manager WISE F)

On the contrary, the integrative frame downplays conflicting and paradoxical tensions, which heightens managers' perceptions of environmental munificence and opportunity. The assertion of a dual identity *“otherwise, we wouldn't be who we are, we'd be another type of organisation”* (Manager WISE B) reduces perceptions of conflict and strengthens the understanding that the context offers opportunities for reconciling conflicting logics: *“So, there are always opportunities to generate employment for people or auxiliary projects that also allow us to incorporate the [vulnerable] groups with which we work.”* (Manager WISE B).

This perception applies both to the market context and to relationships with public administrations:

“I believe there is a context of important social awareness, not only within different levels of public administration, but also among companies, which is where we have noticed the greatest change, as they come to believe in projects like ours.” (Manager WISE A)

In particular, the public administration is viewed as a key partner in providing insertion opportunities:

“We have some administrations that make you think say, oh wow, the head of administration is really forward thinking, because she knows that with their contribution,

they're doing something positive to give vulnerable people an opportunity.” (Manager WISE B)

Their view of the context as one offering opportunities leads managers to take a more proactive stance towards problems and to steer situations towards their own interests. This is very well illustrated by the following excerpt from the interview with a manager at WISE A. WISE A managed to convince its local public administration to take on more insertion workers than had initially been agreed, by enabling insertion workers to fill the vacancies occurring when older workers retired:

“That’s what we have achieved with the town halls. There were many people waiting to retire when we took the contract, as they retired, we replaced them with insertion workers. That’s the sense of it, that’s why we took these contracts.”

In sum, these findings show that the cognitive frames employed are related to different perceptions of the environment, which, in turn, predispose the WISEs towards different types of actions. Managers who employ a balancing frame see their context as more adverse, tend to be more conservative and refrain from taking bold actions. On the contrary, those who employ an integrative frame see their context as more munificent, providing opportunities to increase their firm’s impact, and are committed to exploring the opportunities offered.

Representation of agency

The managerial frame adopted – balancing or integrative – also influences the extent to which market and social categories are viewed as fluid or, by contrast, categorically distinct. Perceptions focused on tensions and conflict derived from the *balancing frame* draw attention to the categorically distinct nature of the social and economic components and emphasise the complexities of blending them. These categorical distinctions may restrict managers’ perceptions that there is room to find creative workarounds (Sharma and Bansal 2017). The locus of control is external, as indicated by one of the managers employing a balancing frame:

But then you say, hell, the more you get into this, the more complicated it gets. And also, we’re just a tiny little cooperative, and when they come at you with all this, well I can’t go on. (Manager WISE E)

As a consequence, they see their agency limited to the application of compromising, win-lose solutions to the permanent paradoxes and complexities encountered. Dealing with such complexities makes these managers believe their WISE has only a limited capacity to generate social change, although they claim recognition and observe a positive balance in terms of the impact made on insertion workers' lives:

“I think it’s a good, beautiful experience that should be given more support, even if the firms are small, if they have 8, 10 or 12 workers, well, hey, that’s something. They don’t have to be two hundred, they can also be little firms.” (Manager WISE D).

“I mean, it’s really a question of subsistence. The thing is, seen from our perspective, where almost everyone just subsists, [...] well, it compensates, compensates, compensates, of course it compensates.” (Manager WISE F)

WISE managers operating in accordance with an integrative frame often seek to exploit the prominent position and reputation of their organisation in local society that is conferred by its hybrid condition. This position enables WISEs to present themselves as actors legitimated to influence other institutions, organisations and public administrations. The manager of WISE B described its activity in the following terms, as a transformative social agent that was reframing the mission of business organisations and the public administration.

“We are involved in the definition of the educational programme of the city, we are deciding the educational nutritional programme in [names the city where it operates], because we take part in the different negotiations of the administration with civil society organisations for defining public policies, like the negotiations about social and solidarity economy, employment ...” (Manager WISE B)

The locus of control for managers with an integrative frame is definitely internal, they see themselves as having the tools to navigate the complexity of managing critical situations:

“Looking for new clients, making an effort in the commercial part...trying to recover clients that we had lost, explaining the project to them again. Working, working... looking at costs when they shoot up, looking for new suppliers of what we need, to see if we can get it cheaper... Looking for the best solutions in times of crisis.” (Manager WISE A)

The results presented in this section show that the cognitive frames employed are related to different outlooks on the agentic capacity of a WISE, its locus of control and capacity to bring about social change. Managers who employ a balancing frame see the locus of control as being external and believe they have a limited organisational capacity to generate social change, while those whose point of reference is an integrative frame see the locus of control as being

internal and emphasise their WISE's capacity to produce significant social change. These perceptions set up very different scenarios for organisational action: a limiting one in the first case and a more open, exploratory one in the second.

Capability of integrating conflicting prescriptions

With the *integrative frame*, managers tend to make a more structured representation of reality and perceive a more varied repertoire of connections among diverse elements of the frame than is the case with those operating in accordance with a balancing frame. This structured representation and the variety of content considered enhance the manager's ability to identify elements that can integrate both social and economic goals. These managers see more opportunities for combining market and social activities, as observed when the manager of WISE B talks about fulfilling market needs in technological sectors, where WISEs do not traditionally operate, and thus addressing one of the main challenges facing insertion companies, that of training insertion workers in activities that will continue to be in demand in the labour market of the future:

“What does the market need? The question isn't what do I think it needs. Sometimes, I think we're too busy navel-gazing. No, the question is, what do they need? That brings us to some very interesting opportunities. There's an opening in new technologies, among jobs for engineers and for technical people, for people who don't need to be engineers, you just need someone with nine months' training, for example, and some skills. Here, if we set up a really good project, we could have 25 people in work by the next day.”

With an integrative frame, the social and market attributes are viewed as synergistic, whereby one activity augments the other, enabling a better outcome. This finding is well illustrated by how managers with an integrative frame see the relationship between insertion and the development of new economic activities:

“...the desire to growth won, because we cannot give up creating jobs.” (Manager WISE B, secondary sources)

“It's a single concept, we can't separate production from insertion. So, what we've done is, in all the essential processes, we stress the identification between production and insertion, in order to detect and enhance the human resources involved.” (Manager WISE A)

Managers with an integrative frame understand that with economic growth, the WISE can offer a greater number of job opportunities to insertion workers, thus contributing to achieving its social insertion goals. In other words, the development of knowledge and resources that support economic growth is a driver of labour insertion. This integrative perspective, spanning the day-to-day operations of the firm, enables managers to act in such a way as to avoid conflict while simultaneously enhancing the firm's social and economic performance. This explains, at least in part, why in the WISEs where managers employ an integrative frame, the firm's hybrid strategies are exploratory, simultaneously searching for market and insertion opportunities, both alone and in cooperation with other organisations.

On the contrary, managers who take a balancing frame position tend to view social and economic elements as conflictive and sharply distinct. This lack of integration between the elements reduces their capacity to combine market and social resources, and leads them to take a more defensive approach:

“We never get into debt with third parties. Never. That is to say, good economic policy means never getting out of your depth... We have that criterion for everything we do. No borrowing... and not a penny to the banks. If we're short one month's Social Security contribution, we, the partners, put it in ourselves.” (Manager WISE F).

Therefore, the very structure of the cognitive frame shapes the firm's options for integrating social and market elements, thus determining managers' openness to combining social and market resources and their capacity to generate a synergistic response. In other words, an integrative frame is associated with responses that focus on the synergies between market and social elements, while a balancing frame is associated with discrete social and market actions and with a reluctance to use certain market resources for social purposes.

4.3. Managerial cognitive frames shaping defensive and proactive hybrid strategies

Our results show that the two cognitive frames commonly used to address the hybrid nature of a WISE trigger different perceptions about its environment (i.e., as opportunity or threat) and about the firm's agentic capacity, and condition managers' ability to integrate conflicting prescriptions. These factors, in turn, are associated with different types of strategies that WISEs may employ to manage their dual condition. According to their content, these strategies can be grouped into two main categories, defensive or exploratory. In either case, they refer to two

domains: employment insertion and market activities. In the following, we explain how these strategies are related to the explanatory mechanisms identified in the previous section and thus to the cognitive frames described. We then list and describe the defensive and exploratory strategies applied in each of the above domains, emphasising their contrasting nature.

Defensive hybrid strategies

As explained above, managers who adopt a balancing cognitive frame tend to perceive the environment as threatening, believe the enterprise has limited capacity for agency, and self-impose limits on the firm's ability to combine its market and social goals. In turn, we find that these perceptions of adversity are associated with defensive responses, which lead the company to adopt strategies to preserve the status quo by alternatively compromising on both social and market activities. Such compromises limit the scope of the firm's activities, but ensure that it remains sustainable in the long term. The narrower understanding of the situation derived from the limited number of elements incorporated within a balancing frame also reduces the capacity of the manager, and hence that of the company, to devise more creative responses. These observations are supported by our findings regarding the hybrid strategies of WISEs in which managers employ a balancing frame.

In the domain of employee insertion, defensive strategies involve making compromises in the personal and employment profiles of insertion workers proposed, limiting the period of insertion training and hiring insertion workers as regular employees. For example, one WISE stipulated the profiles needed of potential insertion workers, choosing to work with legal immigrants who already had some initial training, thereby excluding undocumented, inexperienced immigrants referred from insertion programmes. This WISE also responded to periods of high demand by employing workers from the regular job market.

“When I need a worker, in case I can't find one from an insertion programme, then I'll hire someone else. Because if I start losing the projects and the business is lost, then the labour insertion is lost, too. So, you have to be flexible, knowing, of course, where we are.” (Manager WISE C)

However, the same WISE also compromised on its economic activity by establishing shorter insertion periods (six months) and part-time jobs to create more insertion opportunities. Another example of compromise in the economic activity derived from defensive insertion strategies is granting a standard employment contract to less productive insertion workers who are close to retirement and would have severe difficulties in finding a job elsewhere. For these

workers, there is no financial support from the administration, although they are less productive than the non-insertion employees. This practice reduces profitability and limits the possibility of incorporating new insertion workers.

“But it’s true that sometimes, due to a person’s characteristics, their age, their skills... If, say, someone is 57 years old. That means that if they leave here they’ll be collecting unemployment benefit for two years, they won’t be able to retire and once again they’ll be living on state benefits, or on their children, whatever. Well no, in that case, they’d be better off staying here to work, even if they don’t reach the minimum production levels.” (Manager WISE D)

The defensive hybrid strategies in the market area we map are mainly related to cooperation, organisational growth and competition. WISEs frequently cooperate with both social and traditional businesses, as well as with other social organisations. However, in our survey none of the WISEs that employed a balancing frame considered cooperation to be a strategic pillar of their activities. One even defined itself as an individualistic organisation, while others restricted their cooperation to closely-related bodies (mainly the promoter organisations of the WISE) with which they maintained a long-term relationship).

“I mean, it is true that, as a business, I think, we work in a very individualistic way.” (Manager WISE D)

“It’s also true that in [the region where the WISE operates] everything is much more anonymous than elsewhere, because there are so many people and so much stuff. In the end, everyone’s in their own world.” (Manager WISE C)

The managers presenting a balancing cognitive frame invoked several obstacles to growth.

“We’re not about to start [another business]... man, in 4 years we’ve had one structure, after two years we’ve had another... there are still many organisational issues for the team, we have to work hard, the roles.... Changes are much slower in this type of company, they take place slowly.” (Manager WISE C)

All except one (WISE E) claimed their firm had no growth plan for the near future. Although it was not its main objective, WISE E did intend to grow, but its managers emphasised that this needed to be done slowly and very carefully.

“We have met our deadlines, we have to be careful because we don’t want to grow too much or have too many clients; just enough, it’s all about providing good service and doing our jobs well, because our clients are very demanding.” (Manager WISE E)

Finally, the WISEs whose managers adopt balancing frames tend to maintain current projects and their niche market and prefer to avoid open competition with other social and commercial enterprises:

“It has happened to us many times, we’ve tried to do something new in catering. The first thing we do is to look at the competition. Things like being ecological, recycling, school canteens ... Everybody knows all about this, by now. Of course, we’re not going to get into those sorts of problems, when we know there are hundreds of centres like ours already there and doing well, and they’re well set.” (Manager WISE D)

Exploratory hybrid strategies

In section 4.2. we discussed how the adoption of an *integrative* cognitive frame enhances managers’ perceptions of opportunities and agentic ability, and enables them to identify synergetic alternatives. An integrative frame also provides a more nuanced understanding of the situation, facilitating new connections among the diverse elements of the frame, and thus heightening the potential to identify solutions incorporating a variety of elements. Our findings suggest that these factors drive WISEs’ adoption of proactive and exploratory strategies.

In the work insertion domain, the integrative frame is related to the design and application of long-term strategies oriented towards empowering the firm’s insertion workers:

“Our interest isn’t in being a charitable concern. We take a different standpoint, that of providing people with skills so that they can make use of them in the future. We cooperate with [a religious charity] in an evening soup kitchen project, but our model is about empowerment.” (Manager WISE B)

The aim of these strategies is to enhance employment insertion via a holistic approach, spanning both insertion and subsequent operations. For example, WISE A trains its operational managers to detect any problem at an early stage.

“We have integrated the whole insertion process starting from productive processes (...). In the end, we must understand that the first person to notice whether the insertion has worked properly is not the insertion agent, but the operational manager (who sees this person every day). Thus, we train operational managers in [social insertion] problem solving.” (Manager WISE A)

The same outlook on employing insertion workers as explained above with respect to defensive strategies was addressed by an integrative-frame-based WISE in a very different way. WISE A also retains insertion workers in the company, but not as part of its social mission, rather because managers believe these workers add value to the business project. This policy is not viewed as conflicting with the firm’s social mission, because an insertion worker is retained as a regular employee only if another insertion job is created.

“I’ll tell you something: if we get someone who’s very good and right for us, and we need that position filled, we’ll keep them on. There’s a problem, because every one of them who stays here means there’s one less insertion worker to be placed. So, in order to keep someone on, I always make sure that if we keep them on, because they’re very good, then we have to bring in a new insertion worker. We can’t cut back the insertion programme.” (Manager WISE A)

WISEs that use an integrative frame take a more forward-looking approach to insertion and seek projects that develop new technical capabilities, such as basic programming skills. In this way, the insertion workers will be better equipped to enter today’s job market, and their placement will not just be temporary. This approach challenges the common view that insertion workers can only perform basic tasks and rejects the self-exclusion of these companies from the ICT sector.

“We try to dignify the employment insertion process. The jobs they used to take were always the ones with the least added value. What we are looking for now is to have more skilled posts, to promote social advancement.” (Manager WISE B)

In the market domain, the WISEs that employ an integrative frame cooperate with a large and diverse set of partners, including foundations, research centres, businesses, public administrations and other social organisations. This cooperation is seen as an important means of developing new economic projects that could enhance the insertion opportunities they provide and create additional positive societal impact.

“We have partnered with a company from [a large city] to develop a new single-use product that has allowed us to eliminate about 50,000 plastic bottles yearly. We collaborated with them

until we found the right product for our operations. We will also sell the product online.”
(Manager WISE A)

“What’s more, cooperation with others allows us to do interesting things. In the youth guarantee programmes that I mentioned, for example, we always work with four other firms, which also allows us to share and learn, and also to give... from an interesting point of view, I think that’s a good model of activity.” (Manager WISE B)

The WISEs that apply an integrative frame are oriented towards growth and the exploration of new economic activities, seeking new economic opportunities that allow them to heighten the impact of their insertion work:

“We are looking for growth now. We have several items in play that could be ... I recently met with [the government of a nearby region], because they are very interested in our project expanding into [the nearby region], too. But for now, we are in the initial phase of exploring the market and seeing if we can get into it. What I was telling you about, the two projects that I’ve already explained. And there’s another one, the possibility of setting up an industrial laundry.” (Manager WISE A)

Both WISE A and B see competition as something unavoidable and even a positive factor and do not self-exclude their firms from specific sectors of activity to avoid competition.

“Yes, competitiveness is good, it’s not a bad thing... You see, we are in the charity canteens business. Our model is a business model, so to speak, what we do is that we bid against... There’s a public tender and we compete against [several traditional big companies] ... Against every bidder. Of course, they have other qualities. What we do, we try to be more competitive every time, from the standpoint of the added value we bring to the technical project.” (Manager WISE B)

In conclusion, the cognitive frames that WISE managers employ in their understanding of the hybrid condition of the organisation influence the strategic actions taken. In particular, WISE managers who use an integrative frame seem to diversify the organisation’s economic activity to a greater extent than those who use a balancing frame; they are more willing to explore new economic activities, to take innovative approaches as a means of differentiation from traditional business forms, and to collaborate closely with diverse partners.

4.4. Robustness checks

We are aware that the strategies WISEs adopt are potentially influenced by various other factors, such as firm resources, age and context. Taking this consideration into account, our

purposeful sampling included WISEs of different sizes and ages and from different regions. A priori, we would expect WISEs with greater resource endowments to employ more exploratory, growth-oriented strategies. However, the most entrepreneurial of the WISEs in our sample, WISE B, was neither the largest nor the richest organisation in our sample. In fact, this enterprise had recently experienced significant economic difficulties. Therefore, its use of an integrative frame and its entrepreneurial orientation did not arise from its possession of more financial resources than the other WISEs in our sample.

“What we have to do as a WISE is to be economically sustainable as such, (...) 4 years ago we were in a difficult economic situation and we learnt a lot from it, a lot about looking for sustainability, working hard in management, there’s no mission without management. That’s the double logic: we have to be as good at being managers as we are in the WISE function. People won’t hire us out of pity, they will hire us because we are very good at what we do, and that way we will generate employment. It’s not about charity, it’s about... a concept... in which we believe. I don’t know if we are mistaken, but that’s our business model.” (Manager WISE B)

For all the WISEs in the sample, except WISE E, the main sources of support and resources were specialist promoter organisations. WISEs B, C and D were promoted by similar organisations in terms of type and resources. However, they varied in the type of frame adopted and in their hybrid strategies.

The age of the organisation does not seem to influence the strategies adopted. It might reasonably be expected that older organisations would have more resources with which to explore potential activities and to grow; furthermore, over time they would develop the means to integrate their social and business activities, which would facilitate their managers’ adoption of an integrative frame. While this might be the case of WISE B (indeed, its manager noted this pattern: “We try to strike a good balance, I think we’ve got it right”), organisational age is not the whole explanation, given that WISEs A and D have almost the same age, and yet the two managers’ cognitive frames and hybrid strategies are quite different.

Finally, it would be reasonable to believe that WISEs operating in regions where there are more WISEs and more public support for this type of enterprise would face less tension and be more growth oriented. However, WISES A, B and D all work in the same context, and yet their strategies and the cognitive frames adopted by the managers differ considerably. On the other hand, one feature that these three enterprises do have in common is that of size; they are the

largest firms in our sample, which suggests that context plays an important role in the development of these organisations.

To check the validity and reliability of our findings we performed a second round of interviews in the winter of 2022 with three of the four WISEs that were still in business at that time (i.e., WISEs A, C and E). WISEs A and E had the same manager and management team as in the first round of data collection, while WISE C had changed its management since then. We analysed the data following the same procedure as described in the Data Analysis section. The results obtained indicate that the cognitive frames and hybrid strategies employed by WISEs A and E were the same as those indicated in the first round of interviews. From this, we conclude that the initial results are not only robust but also offer evidence for the durability of cognitive frames over time. Illustrative quotes from this last round of interviews have been incorporated into the final appendix, where the complete data structure can be seen.

In the case of WISE C, while the manager interviewed in the first round described a balancing cognitive frame and defensive hybrid strategies, his successor used an integrative frame and exploratory hybrid strategies.

“Also, of course, we’ve always understood, right from the start, that our company has this two-fold nature, which is important at both levels. Our goal is to make money, but, thank goodness, we don’t need to make more and more, just enough so as not to be losing money. If we make a little more, well and good, but... And the social aim takes priority over the financial one, and naturally that is very rewarding in our daily operations.”

The mechanisms through which this cognitive frame shaped the hybrid exploratory strategies were the same as those previously identified. The manager was well able to integrate the conflicting prescriptions of the two types of logic and was aware that the environment provided useful opportunities:

“In a big city, moreover, there are many clients, for example, social entities or socially responsible companies, that seek out our services or are aligned with what we can offer, which makes it easier here than elsewhere.”

Moreover, the organisation is seen as having agency to introduce change and to redirect the mission of traditional enterprises:

“It’s like what we said about [another WISE]. It’s a perfect example of how, in such a powerful sector and with so much competition, they have managed to carve out a niche, to the point where the big players feel a bit threatened, confessing “If you can’t beat them, join them”, so they become shareholders of [name of the WISE]. Well, what better demonstration can there be? Unity is strength and you make them see that maybe they need to understand that, too.”

This latter case, therefore, clearly fits one of the categories previously identified and offers further evidence for the robustness of our findings.

5. Discussion

The main aim of this study is to gain further insights into strategies deployed to address the hybrid condition of social enterprises, and into the factors driving these strategies. Using a sample of WISEs – considered a prototype of hybrid organisation – we identify managers’ cognitive frames as an important explanatory factor for the heterogeneous responses made by social enterprises to the complexity of their dual nature. Specifically, we identify two managerial cognitive frames – balancing and integrative – that can be characterised as paradoxical frames, as their content is based on the juxtaposition of several contradictory elements (social and economic) and the acceptance and accommodation of these elements (Hahn et al. 2014). Balancing and integrative frames approach the interdependent and conflicting elements that conform the paradox in different ways. The balancing frame seeks to reconcile conflictive elements, a process that inevitably involves trade-offs between the firm’s social and market attributes, and requires a continuous search for equilibrium. The integrative frame, on the other hand, accommodates elements by taking a holistic approach to the firm’s social and market attributes, seeking to achieve synergies. These cognitive frames resonate also with the meta-theoretical principles of balance and holism proposed by Schad et al. (2016) for future research to address paradox management.

We further find that the managerial cognitive frame adopted may strongly affect how managers approach tensions and conflicts and, ultimately, determine fundamental elements of the firm’s strategy. When a cognitive frame is activated, it offers a representation that sets out specific hypotheses about how the elements of the frame are interrelated and, thus, generates expectations about how events will unfold and what courses of action should be taken (Hahn et al. 2015; Cornelissen and Werner 2014; Miller and Sardais 2013; Weick 1995; Goffman 1974).

Frames direct attention to specific information and shape how individuals interpret and synthesise this information to make decisions (Miller and Sardais 2013). Frames that are logically equivalent but formulated in opposite terms (e.g., a glass half full or half empty) have different information contents because they elicit different semantic associations and interpretations (Entman 1993; Weber and Johnson 2009; McKenzie and Nelson 2008).

In line with this previous literature, we found that a framing effect occurs when managers who adopt a particular frame must face issues related to the hybrid condition. The dynamics of compromise/integration are likely to extend to all situations regarding the hybrid condition of WISEs, because once activated, a cognitive frame will induce managers to ignore information that contradicts the frame, and focus only on external information that confirms the diagnosis made (Hahn et al. 2014; Weick 1995). These framing effects extend to the representation of the environment, the representation of the WISE's agency and its ability to integrate conflicting prescriptions. These representations help explain how cognitive frames give rise to different types of strategies to cope with hybridity. Our findings indicate that managers with a balancing frame see their environment as more adverse, represent their agency as limited and have a lower capability to integrate market and social attributes in order to find synergistic solutions. The understanding of market and social attributes as antagonistic and conflictive extends to the context and also hinders the identification of new connections among the diverse elements of the frame, reducing the potential to identify solutions incorporating a variety of elements (Cholakova and Ravasi 2019). Consequently, managers who operate in accordance with a balancing frame develop defensive hybrid strategies that involve alternatively compromising on both social and market activities. This is so because the perception of a threatening and adverse environment and of limited agency makes them reluctant to promote change and adopt new initiatives (e.g., Thomas, Clark and Gioia 1993). Instead, these managers tend to produce more automatic responses, whilst inhibiting more deliberative, agentic processes (Cornelissen and Werner 2014; Kahneman 2011). In this context, compromising and defensive initiatives that seek to preserve the status quo are viewed as natural responses to adversity.

On the contrary, managers with an integrative frame perceive their context as providing numerous opportunities to explore new insertion activities; they see more space for agency and are aware of an important potential for their organisations to introduce social change. They also appear to be more capable of integrating social and market elements. In this frame, the social and market domains offer a toolbox of elements (Glynn and Navis 2013) that can be integrated to achieve the WISE's primary goal of creating labour insertion opportunities for socially

excluded individuals. This framing is also more likely to increase managers' perceptions of being in control of the situation, due to its focus on the generative capabilities derived from the blending and integration of different categories and elements (Glynn and Navis 2013). When individuals believe they control the situation, they are more likely to drive change, to undertake new initiatives and to explore alternative means of achieving the firm's objectives (Sharma 2000; Thomas, Clark and Gioia 1993). These considerations are also in line with Cholakova and Ravasi (2019), who suggested that the structure of the managerial cognitive frame that is activated may influence the actions taken. The activation of more comprehensively structured frames (i.e., those composed of more elements and displaying a higher degree of integration) as in the case of the integrative frame, provides managers with a richer and more nuanced understanding of the situation, thus enhancing their capacity to envision alternatives that integrate elements of conflicting logics (Cholakova and Ravasi 2019).

Therefore, a manager's cognitive frames potentially affect the strategic responses made by a WISE because, in this context, managers are the main decision makers and hence the main drivers behind the strategies employed by WISEs to manage their duality (Finkelstein and Hambrick 1996). We identify and describe two main types of hybrid strategies, defensive and exploratory, which are associated with the balancing and integrative frames, respectively. These strategies differ in their approach to cooperation, competition, social intervention and the structuring of social and commercial activity. While defensive strategies involve limited cooperation, avoiding competition, low growth orientation and compromises in both social insertion and the efficiency of market activities, exploratory strategies embrace competition and entail cooperation with diverse partners to innovate, grow and explore new insertion opportunities.

In sum, informed both by data and previous research, our findings reveal that managers' cognitive frames play an important role in shaping their perceptions of the environment and organisational agency and their capacity to integrate market and social elements. These three factors set the stage for the development of different types of strategies to cope with the hybrid condition of these organisations.

6. Contributions

These findings enhance our understanding of the diverse responses made to the challenges encountered in managing the hybrid condition of social enterprises, in several ways. First, our

analysis provides a deeper insight into the sense-making processes of the managers of social enterprises. We foreground the concept of cognitive frame to explain how WISE managers make sense of the dual condition of their organisation. We then identify and describe the two main cognitive frames that managers use to understand hybridity: the integrative vs. the balancing frame. With the identification and description of the balancing and integrative frames, our findings enrich and refine the meta-paradoxical cognitive frame proposed by Hahn et al. (2014), expanding our understanding of a previously neglected issue in social enterprise research: that of the factors that explain differences in how managers of social enterprises respond to the complexity derived from the hybrid condition of the organisations they lead. We show that these cognitive frames activate different types of interpretations of the environment and organisational agency and different managerial capabilities which in turn shape the responses to the conflicting demands derived from WISEs' hybrid condition.

Second, our paper contributes by identifying different types of strategies to cope with hybridity. The specific strategies that we identify widen the repertoire developed in previous research regarding the approaches taken by social enterprises to manage their hybrid condition (Siebold, Günzel-Jensen, and Müller 2019; Kannothra, Manning, and Haigh 2018; Battilana et al. 2015). In addition to the human resources practices identified by Battilana and Dorado (2010) and Battilana et al. (2015), the “community-focused” and “client-focused” growth of Kannothra, Manning and Haigh (2018), and the product offerings, human connections, income generation, and pluralistic collaborations identified by Siebold, Günzel-Jensen and Müller (2019), Ciambotti and Pedrini (2021), and Mongelli et al. (2018), we add specific strategic patterns in terms of approach to cooperation, competition, social intervention and the structuring of social and commercial activity. This inventory of strategies offers useful insights for the management of social enterprises.

Third, most previous studies of social entrepreneurship assume intractable conflict between the prescriptions of social and commercial logic (Battilana et al. 2015; Battilana and Dorado 2010). This conflict is usually overcome by prioritising one at the expense of the other (Besharov and Smith 2014; Greenwood et al. 2011), by creating spaces for negotiation (Battilana et al. 2015) or by selectively coupling discrete elements prescribed by each logic (Pache and Santos 2013). A recent literature review suggested a research focus on how social entrepreneurs create synergies (instead of tensions) between the social and economic domains (Vedula et al., 2022). We highlight the factors driving the adoption of such an approach. From this perspective, our findings contribute to social entrepreneurship literature by identifying

elements – i.e. cognitive frames and the representation of the environment, agency, and ability to integrate conflicting prescriptions – that allow social enterprises to exploit apparently intractable tensions to explore new opportunities for social transformation (Vedula et al. 2022).

The majority of the WISEs in our study behave in ways similar to those described in the literature on hybrid organisations, experiencing conflict and framing their management to operate in a resource-constrained environment, in which compromises must be made to ensure sustainability. However, we also find two cases whereby managers take a synergistic approach and build on the potential of these tensions, viewing them as drivers of ongoing improvement; these managers explore new opportunities for social transformation, both in economic and in social activities. We contribute to the literature on social entrepreneurship by illustrating the application of these synergistic strategies in WISEs and describing the managerial cognitive frames that antecede these strategies. Moreover, we highlight the fact that cognitive frames play a determinant role in the extent to which decision makers perceive synergy or conflict in the prescription of institutional logics and in how they resolve any such conflict. Our conclusions are consistent with recent studies in this area, such as Child (2020), who suggests that social enterprise managers employ strategies to neutralise the potentially conflicting elements of their work by regarding the big picture, engaging with the paradox rather than avoiding it, and making comparisons that place them in a favourable light, thus easing the paradoxical strain.

The results we present also have practical implications. First, we draw attention to the important role played by cognitive frames in shaping strategic choices. Awareness of this matter is important because whichever cognitive frame is employed will inevitably generate bias in managerial perceptions and decisions (Weick, 1995). Managers can make use of our findings to gain a deeper understanding of their own approach and thus reduce potential bias. In particular, our explanation of how frames shape perceptions of the environment and room for agency is likely to make managers question unconscious assumptions which could bias their decisions. Second, we provide insights into strategies that managers of WISEs can use to balance and integrate inclusivity-oriented tasks and the economic growth of their organisations. In short, our findings enrich the repertoire of hybrid strategies available to WISEs, a paradigmatic type of hybrid organisation which makes a significant social impact (through the annual employment integration of more than 4300 persons at risk of social exclusion in Spain), reduces social costs and, through taxation, creates economic return for the public support received (FAEDEI, 2017).

7. Limitations and Future Directions

This study presents certain limitations that need to be addressed in future research, going beyond the scope of our paper. To some extent, these limitations are inherent to the exploratory nature of this study and the characteristics of the research design. First, our research approach is inductive, seeking to build theory (by identifying cognitive frames and the strategies and mechanisms linking them) within a hitherto neglected context. The advantage of this design is that it uncovers new concepts and relationships. A major shortcoming, however, is that it does not allow us to test the emerging relationships between the constructs considered. Future studies in this area should test the relationships between the cognitive frames identified, the mechanisms and the strategies of social enterprises, in order to determine the prevalence and efficacy of these mechanisms.

Second, we restricted our data to one specific type of social enterprise (WISEs) in a single country (Spain) because we wanted to control for alternative explanatory factors related to organisational forms and context. Future studies considering other types of social enterprises and other cultural and institutional contexts could be instrumental in underpinning the strength and reliability of our model.

Third, our data are subject to possibly biased ex-post explanations when the results of the decisions taken are known to the managers consulted. To control for this potential bias, we contrasted primary and secondary information and collected primary information at two different moments in time, and found no inconsistencies. However, future research could find it useful to replicate the concepts and relationships discovered, in a larger number of social companies, in order to validate our findings and confirm their predictability.

Overall, the findings we present highlight interesting areas for further inquiry in the field of hybrid organising, such as: What elements underlie the development of specific frames of reference among managers? What role does previous organisational experience play in how managers frame the social mission of their organisation? And how do previous organisational crises impact on the cognitive frames adopted by managers?

8. Conclusions

The present work is an attempt to advance our understanding of how the managers of social enterprises address and overcome the challenges inherent to their dual mission and to identify the factors which explain how managers may cope with the complexity inherent in hybridity. A complete theoretical understanding of hybridity requires consideration of managerial cognitive frames and how they affect organisational decisions and actions. In this study, we identify two cognitive frames driving WISEs' strategies to cope with hybridity. We also describe the underlying mechanisms connecting these frames with the hybrid strategies employed. In doing so, we highlight the individual agency of managers and their idiosyncratic cognitive processes, as key factors that explain why social enterprises give such diverse responses to the similar challenges encountered in managing their dual condition.

Research into social enterprises expands our knowledge about potentially effective solutions to the problems encountered in society. We hope the study sparks further interest in this topic and provides new insights into the management of social enterprises and how they can create social value and transform society for the better.

Compliance with Ethical Standards:

Ethical Approval

At the time the study was designed, the requirement for approval in the case of this type of research was waived by the ethics committees of our universities. The dataset preserves participant confidentiality by eliminating all identifying information.

Informed Consent

All participants were previously informed about the purpose of the study, the nature of their involvement, and the time it would require. The authors made it clear that, to the best of their knowledge, participation in the research would entail no potential risks and discomforts, nor provide any direct benefit. All participants gave appropriate informed consent to take part in the study.

Conflict of Interest

All authors declare that they have no conflicts of interest regarding this paper.

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APPENDIX
Data structure with illustrative quotes

Illustrative data	First-order codes	Second-order themes	Aggregate dimensions
<p><i>Our costs are usually higher than in other types of business, but it's not that we're more expensive, it's that all our payments are above board. (Manager WISE C)</i></p> <p><i>But being in the market every day shows you what the real world is like. So, you have to adapt. You've got to be competitive, to be professional, because otherwise the market will swallow you up, sooner or later. (Manager WISE E)</i></p> <p><i>When we talk about the value contribution, as I told you, there are the brand-new cooperatives that we are setting up, for healthy eating, and then it turns out there are others, competing with us, that are bringing in frozen food from Germany at an unbelievable price... It is what it is, let's compete and may the best firm win, that's normal, right? Indeed, it's good because it makes us work better. (Manager WISE B)</i></p>	Competition in the traditional market	Market attributes	Content of the frame
<p><i>What we always see very clearly is that we are a social company. Our value is in providing a good, high-quality product. We've never renounced that and we never will. (Manager WISE C)</i></p> <p><i>And above all, we've been selling service, dependability and knowledge. We haven't tried to sell by saying "Look, we're an integration company, give us a break". We haven't been asking for pity. On the contrary, we've said nothing of the kind. They find out later that there is a whole social project behind this. What we sell is a service and a job well done. (Manager WISE E)</i></p> <p><i>They don't have to hire us because we're "poor things" but because we're very good. That's how we'll create more jobs. (Manager WISE B)</i></p>	Quality of products and services offered		
<p><i>There are two prejudices here: one is that because you're a social enterprise your work isn't professional. That's a lie. We have a rigger, we have two labourers, the foreman and the painter, and all the kids are working under supervision at all times and everything is done according to the safety rules and regulations. In the canteen, we have a cook, we've got all the occupational risks covered. We've got everything. So, our work is as good as anyone else's. (Manager WISE C)</i></p> <p><i>Our work is everything related to the social world and to people in general, but especially concerning employment insertion companies, which they don't know about, because the world of these companies is foreign to them (Manager WISE E)</i></p> <p><i>That's the great weakness of insertion and sometimes it's misunderstood. It's not like a special work centre, that you might see... with employment insertion, you see a person, and often people</i></p>	Lack of legitimacy		

<p><i>don't know whether they're an insertion worker or not, because of course, there's no difference. (Manager WISE A)</i></p>			
<p><i>So, if you go for low-skilled professions, because that's what's normal, given the population we work with, later on we'll have a job market that is completely saturated. (Manager WISE F)</i></p> <p><i>Maybe for a person who is more socially integrated, it might be clearer, but for these people sometimes working here is very important because they don't realise, do they? That they need certain skills, not just to get a job, but to keep it. Because I think one of the problems is their situation, in itself. But luckily that's what we are there for, to help them learn skills and suchlike. But then the problem won't be finding a job, but keeping it. (Manager WISE D)</i></p> <p><i>So, you have to look at two things: it isn't so much that we're do-gooding, but more providing skills training for these people. We aren't doing this to be charitable, but we look at it as building up skills in people so they can stand on their own feet. (Manager WISE B)</i></p>	<p>Complexity of social integration</p>	<p>Social attributes</p>	
<p><i>What do you do when somebody has been here for three years, and the limit is three years for someone to work in an employment insertion company unless you want to make them permanent? Of course, that's the question we're always asking. Some people think the worker should be kept on with a permanent contract, because they're known, because they've come on very well, because outside they'd have nowhere to go. But others say no, that this is a transitory situation, the workers can only be here for three years at most and then they have to leave, so that we can continue to help and give somebody else an opportunity. That's the thing: yin and yang. What do we do? (Manager WISE D)</i></p> <p><i>I'll tell you something: if we get someone who's very good and right then we need that position filled, we'll keep them. There's a problem, because every one of them who stays here means there's one less insertion worker to be placed. So, in order to keep someone on, I always make sure that if we keep them on, because they're very good, then we have to bring in a new insertion worker. We can't cut back the insertion programme. (Manager WISE A)</i></p>	<p>Dilemmas regarding hiring employment insertion workers</p>		
<p><i>We have had doubts about whether to grow or not, but in the end the desire to growth won, because we cannot give up creating jobs. (Manager WISE B, secondary sources)</i></p> <p><i>In the end, we are a company that operates in the market. If we do not comply, we lose that client, and if we lose that client, it means that we lose an opportunity for insertion. (Manager WISE A)</i></p>	<p>Economic activities as opportunities for placements</p>	<p>Relationships between attributes</p>	<p>Structure of the frame</p>
<p><i>This is a savage market (Manager WISE C).</i></p> <p><i>So, there are always opportunities to generate employment for people or auxiliary projects that also allow us to incorporate the [vulnerable] groups with which we work (Manager WISE B).</i></p>	<p>Perception of the market</p>	<p>Representation of the environment</p>	<p>Mechanisms connecting frames with strategies</p>

<p><i>I believe there is a context of important social awareness, not only within different levels of public administration, but also among companies, which is where we have noticed the greatest change, as they come to believe in projects like ours. (Manager WISE A)</i></p>			
<p><i>The taxman is killing us, they'll find some screw-up and they'll eat us alive. (Manager WISE E)</i></p> <p><i>And, apart from that, we're coming up against many problems in terms of justifications for the applications themselves. Proof of this is that we've already appealed against six rulings by the Regional Government. We've won the first two, but we are talking about an appeal dating back to 2020, which we finally won this year. That has cost us resources, it's cost us money, we've had to hire lawyers. (Manager WISE E)</i></p> <p><i>That's what we have achieved with the town halls, as there were many people waiting to retire when we took the contract, as they retired, we replaced them with insertion workers. That's the sense of it, that's why we took these contracts. (Manager WISE A)</i></p>	<p>Perception of the relationship with public administration</p>		
<p><i>We are involved in the definition of the educational programme of the city, we are deciding the educational nutritional programme in [names the city where it operates], because we take part in the different negotiations of the administration with civil society organisations for defining public policies, like the negotiations about social and solidarity economy, employment ... (Manager WISE B)</i></p> <p><i>The third sector is like that, it's like a provincial store, "I've already got enough on my hands with selling this, why should I get more involved?" Well, no, we believe in our project, it's something that has to generate much more than what we are currently doing. (Manager WISE A)</i></p>	<p>Generating social change</p>	<p>Representation of agency</p>	
<p><i>But then you say, hell, the more you get into this, the more complicated it gets. And also, we're just a tiny little cooperative, and when they come at you with all this, well I can't go on. (Manager WISE E)</i></p> <p><i>Looking for new clients, making an effort in the commercial part...trying to recover clients that we had lost, explaining the project to them again. Working, working... looking at the costs where they shoot up, looking for new suppliers of what we need to see if we can get it cheaper... It is looking for the right solutions in times of crisis. (Manager WISE A)</i></p> <p><i>If you call me back in three months, maybe I'll tell you, look, we've got a meat processing company, for example. We're negotiating. Whether anything comes of it, we'll see. But the ecological product is out there. The addition of a hundred-odd people to the workforce since we last spoke, that's a fact. (Manager WISE A)</i></p>	<p>Locus of control</p>		

<p><i>What does the market need? The question isn't what do I think it needs. Sometimes, I think we're too busy navel-gazing. No, the question is, what do they need? That brings us to some very interesting opportunities. There's an opening in new technologies, between jobs for engineers and for technical people, for people who don't need to be engineers, you just need someone with nine months' training, for example, and some skills. Here, if we set up a really good project, we could have 25 people in work by the next day. (Manager WISE B)</i></p>	<p>Identification of synergetic alternatives</p>	<p>of Capability to integrate conflicting prescriptions</p>	
<p><i>It's a single concept, we can't separate production from insertion. So, what we've done is, in all the essential processes, we stress the identification between production and insertion, in order to detect and enhance the human resources involved. The insertion agent maybe sees the insertion person every 8, 10 or 15 days, the production technician sees her every day. And that is where you can see, and we have seen this, if the insertion person is in a different mood, if they've got a black eye – and that has happened... This initial detection is down to the production technician. Then, we move on to the response, which is the job of the insertion technicians, who must deal with the problems that come up. And, after the pandemic, I must say they've got a lot worse. (Manager WISE A).</i></p> <p><i>We never get into debt with third parties. Never. That is to say, good economic policy means never getting out of your depth... We have that criterion for everything we do. No borrowing... and not a penny to the banks. If we're short one month's Social Security contribution, we, the partners, put it in ourselves (Manager WISE F).</i></p>	<p>Openness to market and social means combinations</p>		
<p><i>We opted for a part-time model of employment, because we believe that, if there is a full-time job, the worker will feel very stable in the post, and won't have any incentive to look for something else, as long as their contract is renewed at least every six months, up to the three-year limit. We don't want that. We want the person to have a certain time and during that time to take steps to spend as little time as possible in our company. (Manager WISE C)</i></p> <p><i>Because someone's finished the training phase and now they've joined the Cooperative. Because what we are doing is creating the core of the business. (Manager WISE E)</i></p>	<p>Compromise on insertion practices</p>	<p>Defensive strategies</p>	<p>Hybrid strategies</p>
<p><i>Well no, in that case, they'd be better off staying here to work, even if they don't reach the minimum production levels. (Manager WISE D)</i></p>	<p>Compromise on costs</p>		
<p><i>It's also true that in [the region where the WISE operates] everything is much more anonymous than elsewhere, because there are so many people and so much stuff. In the end, everyone's in their own world (Manager WISE C)</i></p>	<p>Cooperate limitedly</p>		
<p><i>We're not ready to start ... listen, one structure took four years, the other took two... there are still many organisational issues with the team, there's still a lot to do, establish their roles ... Changes are much slower in this type of company, they're slow. (Manager WISE C)</i></p>	<p>No-growth oriented</p>		

<p><i>We have met our deadlines, we have to be careful because we don't want to grow too much or have too many clients; just enough, it's all about providing good service and doing our jobs well, because our clients are very demanding. (Manager WISE E)</i></p>			
<p><i>It's happened to us lots of times, we've tried to do something new in catering. The first thing we do is look at the competition. Things like being ecological, recycling, school canteens ... Everybody knows all about this, by now. Of course, we're not going to get into those sorts of problems, when we know there are hundreds of centres like ours already there and doing well, and they're well set. (Manager WISE D)</i></p>	<p>Avoid competition</p>		
<p><i>We try to dignify the employment insertion process. The jobs they used to take were always the ones with the least added value. What we are looking for now is to have more skilled posts, to promote social advancement. (Manager WISE B)</i></p>	<p>Innovate in insertion practices</p>	<p>Exploratory strategies</p>	
<p><i>The thing is, we're an organisation that likes to cooperate with others. We like to learn from others, and we're growing just like others in our area. (Manager WISE B)</i></p>	<p>Cooperate with diverse and multiple entities</p>		
<p><i>We were the first to get into organic food. But they came along and copied us. I mean, we've got a model, for one month, to have healthy school canteens. Here, it was us who ... Our idea was to look into this, but the companies copied us. Two years ago, we thought it over and said we're going to provide added value, and we started replacing processed meat with vegetable protein. (Manager WISE B)</i></p> <p><i>And, in a market that's changing as much as it is today, we have to be on the alert for new lines of business we might be able to use. (Manager WISE A)</i></p>	<p>Pursue new market opportunities</p>		
<p><i>Yes, competitiveness is good, it's not a bad thing... You see, we are in the charity canteens business. Our model is a business model, so to speak, what we do is that we bid against... There's a public tender and we compete against [several traditional big companies] ... Against every bidder. Of course, they have other qualities. What we do, we try to be more competitive every time, from the standpoint of the added value we bring to the technical project. (Manager WISE B)</i></p> <p><i>We're in the real world, we're competing every day with [names a large international company], with [names the CEO of this large company] and the rest. (Manager WISE A)</i></p>	<p>Embrace competition</p>		

Table 1. Description of the cases

WISE	Age (years)	Activity	Workers in employment insertion programmes (n)	Background of the manager
A	13	Refurbishing, cleaning and maintenance, industrial laundry	248	Business
B	22	Catering, social diner, commercialisation of food	54	Social and social business
C	16	Refurbishing, construction, restaurant	9	Business
D	12	Catering, textile production and commercialisation	72	Social
E	2	Social business consultancy and textile recycling	2	Social business
F	17	Textile production	2	Social

Table 2. Data used for each company

WISE	Interviews	Secondary sources
A	General manager (2 interviews with the same manager at 2 different moments in time) (20 pages of the first interview transcript, 11 pages of the second)	Webpage, news
B	General manager (1 interview) (19 pages of interview transcript)	Webpage, news, case report
C	General manager (2 interviews with 2 different managers at 2 different moments in time) (19 pages of the first interview transcript, 13 pages of the second)	Webpage, annual report
D	General manager and social worker (1 interview with each of them) (13 and 12 pages of interview transcripts, respectively)	Webpage, annual report
E	General manager and social worker (2 interviews with the same manager at 2 different moments in time and one with a social worker) (39 pages first round of interviews -30 pages of interview transcript with the manager and 9 with the social worker, and 18 pages of the second interview transcript with the general manager)	Blog
F	General manager (1 interview) (22 pages of interview transcript)	News

Table 3. Comparison of the market and social institutional logics and WISE model

Characteristic	Market Logic	Social Logic	WISE
Goal	Profit	Integration of individuals at risk of social exclusion.	Integration of individuals at risk of social exclusion, and also economic sustainability.
Employees	Paid professionals from the technical and management fields necessary to perform the economic activity	Paid professionals from social work, psychology and management fields, and also volunteers.	Individuals at risk of social exclusion, and also paid professionals from technical, social work, psychology and management fields.
Target population	Customers	Individuals at risk of social exclusion.	Individuals at risk of social exclusion, and also customers.
Key activities	Production and commercialisation of products and services	Socio-occupational training, counselling, psychological assistance and social work.	Socio-occupational training, counselling, psychological assistance and social work. Also, the production and commercialisation of products and services.
Management principles	Maximise profit	Maximise the impact of funds for the social integration of individuals at risk of social exclusion.	Achieve the maximum social inclusion whilst maintaining business viability.

Table 4. Data structure

First-order codes	Second-order themes	Aggregate dimensions
Competition in the traditional market	Market attributes	Content of the frame
Quality of products and services offered		
Lack of market legitimacy		
Complexity of social integration	Social attributes	
Dilemmas regarding hiring employment insertion workers		
Economic activities as opportunities for placements	Relationships between attributes	Structure of the frame
Perception of the market	Representation of the environment	Mechanisms
Perception of the relationship with public administration		
Generating social change	Representation of agency	
Locus of control		
Identification of synergetic alternatives	Capability to integrate conflicting prescriptions	
Openness to market and social means combinations		
Compromise on insertion practices	Defensive strategies	Hybrid Strategies
Compromise on costs		
Cooperate limitedly		
No-growth oriented		
Avoid competition		
Innovate in insertion practices	Exploratory strategies	
Cooperate with diverse and multiple entities		
Pursue new market opportunities		
Embrace competition		