MULTIPLE LOGICS WITHIN ORGANIZATIONS: AN INTEGRATIVE FRAMEWORK AND MODEL OF ORGANIZATIONAL HYBRIDITY

ABSTRACT

Scholars are increasingly exploring the nature of organizational hybridity, introducing novel insights but also raising questions about definitions and internal dynamics. In this paper, we address these questions. To do so, we first develop a framework of organizational hybridity that distinguishes hybrids based on the incompatibility and centrality of multiple logics. Our framework suggests different types of hybrids experience alternative opportunities and challenges. Second, we integrate varied empirical studies into a model of internal organizational dynamics. Our model describes how outcomes depend on the differentiation and integration of multiple logics within hybrids. Taken together, this framework and model extend our understanding of hybridity, while also provoking future research on this prevalent and enduring feature of organizations.
“Institutional environments are often pluralistic … As a result, organizations in search of external support and stability incorporate all sorts of incompatible structural elements.” (Meyer & Rowan 1977: 356)

Scholars have long argued that organizations must continually respond to multiple institutional demands. In early research, Selznick (1949; 1957) explored organizational responses to diverse expectations that emerge from the external environment, while Cyert and March (1963) highlighted the varied reactions to divergent demands from internal sub-groups. As the above quotation suggests, Meyer and Rowan (1977) further emphasized how plurality in the institutional environment manifests in often incompatible internal organizational arrangements.

Only recently, however, have scholars begun to explore in depth the prevalence, challenges, and potential benefits of incorporating multiple institutional demands within organizations. Often drawing on the concept of institutional logics (i.e., Thornton, Ocasio, & Lounsbury, 2012), this research examines the nature of hybrid organizations that embody multiple societal-level logics. Examples of such organizational hybridity are widespread. When fields are in transition, organizations often embed both the new and old logic (Haveman & Rao, 1997; Lounsbury, 2002; Thornton, 2002). Hybridity is also widespread in periods of relative field stability. Organizations embody multiple institutional logics when they lie at the interstices of divergent fields (Morrill, 2006; Purdy & Gray, 2009; Smets, Morris, & Greenwood, 2012), are embedded in fields that value creativity (Jones, Maoret, Massa, & Svejenova, 2011; Rao, Monin, & Durand, 2005), or depend on various professional or occupational groups (D'Aunno, Sutton, & Price, 1991; Dunn & Jones, 2010; Heimer, 1999; Reay & Hinings, 2009; Thornton, Jones, & Kury, 2005). Hybridity enables these organizations to attain legitimacy with their multiple and often conflicting institutional referents (Kraatz & Block, 2008). Moreover, entrepreneurs often purposely create hybrid organizations in order to build new organizational forms that bridge
multiple logics (DiMaggio, 1988; Thornton & Ocasio, 2008). Doing so can be advantageous, as the juxtaposition of conflicting demands affords leaders greater latitude in developing novel, creative alternatives to existing institutional arrangements (Seo & Creed, 2002).

This growing scholarly interest in organizational hybridity has resulted in a more nuanced understanding of antecedent conditions (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011) as well as organizational responses (Battilana & Dorado, 2010; Battilana, Pache, Sengul, & Model, 2011; Binder, 2007; Chen & O'Mahony, 2006; Greenwood, Díaz, Li, & Lorente, 2010; Heimer, 1999; Jay, 2012; Kodeih, 2010; Kraatz & Block, 2008; Pache & Santos, 2010; Pache & Santos, forthcoming). Yet the increased attention to hybridity has also highlighted varied perspectives on this construct, resulting in conceptual confusion. This confusion raises the question: what is a hybrid organization?

Moreover, even as researchers emphasize organizations as a primary site within which the juxtaposition of multiple logics takes place, we still know little about how hybrids function internally (Greenwood et al., 2010; Pache & Santos, forthcoming). Understanding internal dynamics is particularly important to explain the divergent outcomes demonstrated by hybrids. Studies show that in the context of similar societal and field-level pressures, some organizations maintain multiple institutional logics in productive tension whereas others become mired in intractable conflict or privilege the demands associated with one logic over another (e.g., Battilana & Dorado, 2010; Pache & Santos, forthcoming). A small, but growing body of studies that explore internal organizational responses to hybridity offers varied and often disconnected explanations (Battilana & Dorado, 2010; Battilana et al., 2011; Chen & O'Mahony, 2006; Jay, 2012; Kodeih, 2010; Kraatz & Block, 2008; Pache & Santos, 2010; Pache & Santos,
forthcoming). This increasing, yet disjointed, research raises a second question: how do internal organizational dynamics impact the outcomes of hybridity?

Our goal in this paper is to expand insights into organizational hybridity by addressing these questions. Our first objective is to offer conceptual clarity. Incorporating diverse conceptions of hybridity in the literature, we define hybrids as organizations that embed multiple institutional logics. This definition includes a broad range of organizations. Yet these hybrids differ in the nature of their multiple logics. To clarify these differences, we draw from alternative perspectives to propose a framework for understanding types of hybridity. We categorize hybridity in terms of 1) the extent to which multiple logics offer incompatible prescriptions (“logic incompatibility”), and 2) the extent to which these logics are central to organizational functioning (“logic centrality”). The contribution of this framework is to recognize the prevalence of hybridity in organizations, while also delineating challenges and opportunities associated with each type.

Our second objective is to extend understandings of how internal organizational dynamics influence the outcomes associated with hybridity. We do so by focusing on organizations with high logic incompatibility and high logic centrality, as our framework suggests this type of hybridity offers both the greatest opportunity but also the greatest challenge. Research on organizational responses to conflicting demands in these types of hybrids highlights isolated strategies and practices in areas such as hiring and socialization (Battilana & Dorado, 2010), organizational identity (Kodeih, 2010; Kraatz & Block, 2008), and governance (Chen & O'Mahony, 2006; Pache & Santos, forthcoming). We unite these studies into a model that describes how internal dynamics within hybrids are shaped not only by particular strategies and practices, but also by the relationships between multiple logics across these organizational
arrangements. We conceptualize these relationships in terms of differentiation and integration of logics, and we theorize about the impact of these relationships on organizational outcomes. The contribution of this section is to offer a holistic theoretical model that complements existing work on hybridity at the field level and also builds on and integrates studies of hybridity at the organization level. Taken together, this framework and model expand our understanding of organizational hybridity, while provoking future research in this area.

A FRAMEWORK FOR UNDERSTANDING ORGANIZATIONAL HYBRIDITY

Although scholars often refer to organizations that embody multiple institutional logics as “hybrids,” a review of the literature surfaces diverse perspectives on this construct.¹ Several scholars describe hybrids as those organizations that embed conflicting demands from a complex institutional environment (i.e., Greenwood et al., 2011). Others more narrowly define hybrids as organizations that combine multiple logics in novel ways (Thornton et al., 2012), often specifically referring to the burgeoning field of social enterprises that combine social welfare and commercial logics (Battilana & Dorado, 2010; Battilana et al., 2011; Jay, 2012; Pache & Santos, forthcoming). In addition, some scholars use the term hybridity to imply a blending of multiple societal logics into a new, synergistic logic at the organizational level or to describe the simultaneous juxtaposition of conflicting logics with one another (Greenwood et al., 2011; Thornton et al., 2005).

¹ Organizational scholars have historically also used the term hybrid to represent the combination of two or more distinct forms of organization. For example Podolny and Page (1998) discuss hybrids as forms that integrate market and hierarchy. Similarly, in the economics literature, scholars adopt the term hybrid to describe organizations in which decision making transcends firm boundaries, for example through joint ventures, alliances, and franchises (e.g., Rubin, 1978; Williamson, 1975). In these uses of the term, hybrid refers to the combination of two structurally distinct modes of organizing. By adopting the lens of institutional logics and building on the emerging stream of work on institutional complexity and pluralism (Greenwood et al., 2011; Kraatz & Block, 2008), our approach shows how structural differences such as those between market and hierarchy as forms of organization are embedded in distinct societal-level logics with different sources of legitimacy and authority as well as differing norms and values (see Thornton et al., 2012).
Given this diversity, we adopt a broad definition of hybrids. We define a hybrid as an organization that embodies multiple institutional logics. Institutional logics are “socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules” (Thornton & Ocasio, 1999: 804). Logics establish “the rules of the game” and thereby shape beliefs and behavior, even as actors can inform and influence these rules. Scholars have delineated ideal types of societal-level logics, which become instantiated in organizations in particular ways (see Thornton et al., 2012). Individually, each logic provides a coherent set of guidelines for action. In combination, however, multiple logics present varied and often incompatible prescriptions, leading to uncertainty and contestation in areas such as organizational identity, structure, strategy, and individual action (Greenwood et al., 2011; Kraatz & Block, 2008; Pache & Santos, 2010; Thornton, 2002).

Within this broad definition of hybrids, the nature of multiple logics varies across organizations. Therefore, we suggest that scholars can benefit from delineating types of hybridity. Our review of the literature surfaced two key dimensions that differ across hybrids. The first dimension involves the degree of incompatibility between multiple logics. The second dimension involves the extent to which these multiple logics are central to the organization and influence its actual functioning.² Below, we use these dimensions to develop a framework of hybrid types.

**Dimensions of Organizational Hybridity**

**Incompatibility.** Incompatibility refers to the extent to which logics provide contradictory prescriptions for action (see Greenwood et al., 2011). In their early conceptualization, Friedland

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² An additional point of difference about hybrids centers on the number of logics embedded within the organization. As Greenwood and colleagues (2011) point out, much of the literature depicts hybrids as embodying two logics. However, many organizations incorporate more than two logics (e.g., Greenwood et al., 2010). Because our interest in this paper is on the relationship between logics, for clarity of exposition we focus on hybrids that embody two logics.
and Alford (1991) emphasized the inconsistencies between logics. They describe logics as part of a societal-level interinstitutional system, which highlights the heterogeneity that emerges when different social orders interact with one another across varied contexts. As they noted, an institutional logics perspective provides insight into the contradictions that emerge in beliefs and practices (see Thornton & Ocasio, 2008). This approach suggests that many logics have fundamental incompatibilities, which are particularly salient when multiple logics co-exist within an organization. Similarly, Greenwood and colleagues (2011) refer to institutional complexity as the condition that emerges when organizations “confront incompatible prescriptions from multiple institutional logics” (p. 318, emphasis ours). However, others describe hybrids as organizations that embody two or more relatively compatible logics, which can ultimately blend to create new organizational forms (Haveman & Rao, 1997; Rao et al., 2005; Stark, 1996). For example, Haveman and Rao (1997) show how multiple logics were blended within thrifts, ultimately fostering a shift from a logic of mutuality to a logic of bureaucracy.

Incorporating these differing perspectives, we propose that the degree of incompatibility between logics provides one useful dimension along which to characterize organizational hybridity. Logics are more compatible when they provide consistent and reinforcing prescriptions for actions and beliefs; they are more incompatible when they provide inconsistent and contradictory prescriptions. For example, Greenwood and colleagues (2010) show how Spanish companies embody the logics of family, community, and market. Influenced by norms of the Catholic Church, family and community logics provide relatively compatible guidelines for action, under which corporate downsizing is not an appropriate organizational strategy. Yet these logics are relatively incompatible with a market logic, which treats downsizing as a valued and legitimate action. Pache and Santos’ (forthcoming) study of work integration enterprises in
France illustrates incompatibility between commercial and social welfare logics. Whereas the former prescribes a for-profit organizational form and hierarchical governance mechanisms, the latter prescribes a non-profit organizational form and democratic governance mechanisms.

As these examples suggest, logic incompatibility is driven in part by the elements of logics themselves. In particular, some combinations of logics are relatively less compatible than others because they differ in the ends they prescribe as well as in the means by which these ends are to be achieved (Pache & Santos, 2010). They may also differ in the basis for legitimacy and hence lead to power contests (Thornton et al., 2012: 64). For example, the ideal typical logics of market and corporation are relatively more compatible than those of market and state. This level of compatibility is partially based on each logic’s source of legitimacy. Share price, a key source of legitimacy for a market logic, is relatively more compatible with market position, the primary source of legitimacy for a corporate logic, and relatively more incompatible with democratic participation, the source of legitimacy for a state logic (see Thornton et al., 2012: 73).

Even as we can evaluate the relationship between ideal typical logics, the degree of logic incompatibility depends as well on characteristics of the environment. First, logic incompatibility is often historically and culturally contingent. For example, Greenwood and colleagues (2010) show how market and state logics evolved to be relatively compatible in Spain but not in the U.S. Second, logic incompatibility depends on field structure and political dynamics. For example, Pache and Santos (2010) argue that organizations face greater incompatibility when fields are highly fragmented and moderately centralized, as these conditions create a more powerful influence from a variety of field-level institutions. Other studies suggest incompatibility is high when the logics in an organization are associated with professions that are housed, trained, and supported by different field-level institutions (Heimer, 1999).
Centrality. Researchers further describe the demands that arise from multiple logics as having varying degrees of influence over organizational functioning. Early neo-institutional scholars (i.e., Meyer & Rowan, 1977) argued that technical demands determined core work tasks and were central to organizational functioning. In contrast, institutional demands that could be accommodated through symbolic activities and ceremonial structures were peripheral to organizational functioning. By decoupling the technical from the institutional in this way, organizations could prevent institutional pressures from disrupting the technical core. In contrast, recent studies of institutional complexity and pluralism emphasize organizations in which multiple demands permeate work activities in the organizational core, rather than being divided between core and periphery (e.g., Pache & Santos, forthcoming). This depiction of organizations as simultaneously embodying two (or more) logics at their very core harkens back to Selznick (1957) who portrayed technical and value-laden demands as infused throughout the organization (see Besharov & Khurana, 2012).

Building on these different perspectives, we propose that organizational hybridity varies based upon the centrality of multiple logics to organizational functioning. When centrality is high, organizations embody multiple logics within core organizational features. For example, social enterprises often enact both social welfare and commercial logics through their core work practices and routines (Pache & Santos, forthcoming). When centrality is low, organizations embed a single logic in their core organizational activities, with other logics enacted through peripheral activities that are not directly linked to organizational functioning. Peripheral activities are frequently symbolic in nature, as illustrated by studies of decoupling (e.g., Fiss & Zajac, 2004, 2006; Kostova & Roth, 2002; Tilcsik, 2010; Westphal & Zajac, 1994, 2001). For

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As we explain in detail below, even when logic centrality is high, organizations vary in the extent to which logics are enacted through separated versus integrated practices, routines, and other organizational arrangements.
example, Fiss and Zajac (2004; 2006) show how some German firms proclaim a shareholder value logic in public statements, while their core organizational structures and practices reflect a corporate logic which balances shareholder interests with those of management and employees. 

Centrality is partly determined by the mission and strategy of an organization. For example, hospitals frequently demonstrate high centrality, as their mission of solving complex medical problems requires incorporating multiple professional logics into the technical work of the organization (Greenwood et al., 2011: 323; Heimer, 1999). Similarly, architectural firms that serve several different client groups reflect high centrality, as multiple logics permeate the organizational core (Jones et al., 2011). As with incompatibility, centrality is also contextually defined by historical and field-specific dynamics. Field-level shifts in factors such as the demography of professions (Dunn & Jones, 2010), access to capital (Thornton & Ocasio, 1999), or cultural beliefs (Zilber, 2002) can drive a logic to be more central within an organization. For example, in health care, the arts, social services, and other fields traditionally dominated by non-profit organizations, business professionals have recently become more influential, leading to increased centrality of market and corporate logics (Hwang & Powell, 2009). Correspondingly, the core features of hospitals (Reay & Hinings, 2009), symphony orchestras (Glynn, 2000), and other non-profits increasingly incorporate market or corporate logics alongside existing professional or aesthetic logics. In a similar vein, Townley (2002) illustrates how powerful field-level actors pressured a Canadian cultural organization to incorporate into central organizational features an economic logic of business strategy and planning alongside its existing cultural logic.

**Types of Organizational Hybridity**

Taken together, logic incompatibility and logic centrality offer a framework for categorizing the nature of hybridity within organizations. Combining these dimensions yields
four types of hybridity, as shown in Figure 1. In this figure, we separate different hybrid types by dashed rather than solid lines to indicate that the distinctions between them are continuous, rather than dichotomous. Moreover, we suggest that the nature of hybridity can vary for individual organizations over time, as changes in organizational and environmental features lead to shifts in the degree of logic incompatibility and logic centrality. Therefore, our comments about each type of hybridity, below, describe the instantiation of multiple logics within particular organizations at particular moments in time.

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Insert Figure 1 about here
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When logic incompatibility and centrality are high (see Figure 1, quadrant I), conflict and complexity are endemic within hybrids. For example, Reay and Hinings (2009) describe the tensions that emerged between medical professionalism and “business-like” logics in Canadian health care organizations. These logics provided alternative prescriptions for action that created conflicts about how organizational resources should be allocated, as well as about how doctors and nurses should administer care to patients. Similarly, Glynn (2000) demonstrates how artistic and market logics clashed in a symphony orchestra, with tensions becoming particularly acute around resource allocation decisions in salary negotiations.

Organizations can also embody incompatible logics where one logic is core and the other(s) are peripheral, as shown in quadrant IV of Figure 1. In many Fortune 500 organizations, a corporate logic is central to organizational functioning, reinforced by the expectations of shareholders and customers, while sustainability logics around social, environmental, and ethical concerns can be more peripheral. For example, sustainability claims espoused by these companies can often be symbolic, with little or no instantiation in actual organizational practices
(Hamilton & Gioia, 2009). Even when organizations operate formal programs that embody social, environmental, or ethical demands, they are frequently peripheral to organizational functioning (Weaver, Trevino, & Cochran, 1999).

Organizational hybridity can also involve high compatibility and high centrality (see Figure 1, quadrant II). Binder’s (2007) description of Discovery Center, a child care center run by a large social services organization, illustrates this combination. The organization’s core operations are infused by a state logic which dictates following strict governmental rules and regulations, and a professional logic which dictates focusing on the welfare and “voice” of the child. Moreover, staff members treat these core logics as compatible, combining and integrating them within work practices and routines. Rao and colleagues’ (2005) study of culinary styles among French chefs provides another example of hybridity involving high logic compatibility and centrality. While critics depicted the boundaries between the logics of classical and nouvelle cuisine as rigid and the categories as oppositional, in practice, chefs were able to permeate these boundaries to integrate cooking techniques from both cuisines.

Finally, organizational hybridity can involve high compatibility with low centrality, as shown in quadrant III of Figure 1. For example, in the contemporary pharmacy field, Goodrick and Reay (2011) find that core professional and corporate logics guide work practices within large firms, while a market logic remains peripheral. The relationship between core and peripheral logics is “cooperative” and complementary: “Customer knowledge of medications brought about by widespread access to the Internet and media advertisement of pharmaceuticals [emblematic of a market logic] facilitated increases in the abstract nature of pharmacists’ work [a hallmark of a professional logic], as pharmacists interacted with better educated consumers interested in pharmacist counseling” (p. 31).
Implications: Challenges and Opportunities of High Incompatibility and High Centrality

The internal dynamics within each type of hybrid are likely to vary. In particular, there are differences in the extent to which maintaining multiple logics provides opportunities for value creation and poses challenges for organizational management and survival. We suggest that compared with other types, hybridity involving high logic incompatibility and high logic centrality offers more opportunities as well as more challenges.

First, organizations may gain tremendous benefit from maintaining multiple incompatible and central logics. By juxtaposing conflicting institutional logics in the organizational core, these types of hybrids can create novel forms that exploit market conditions and provide new solutions to societal challenges, while embedding a diversity of skills and perspectives in the organization. For example, Thornton and colleagues (2012) describe how J.C. Penney, John Sperling, and Richard Prentice Ettinger integrated disparate, inconsistent logics to create new forms of organization and exploit market opportunities at J.C. Penney, University of Phoenix, and Prentice-Hall Publishing Company respectively. More recently, social enterprise and microfinance organizations emerged as entrepreneurs combined incompatible social welfare and commercial logics, building novel forms that provide new solutions to pressing global problems (Battilana & Dorado, 2010; Dacin, Dacin, & Tracey, 2011; Smith, Besharov, Wessels, & Chertok, 2012; Tracey, Phillips, & Jarvis, 2011). In contrast, maintaining multiple logics in other types of hybrids holds less potential for value creation. When centrality is low, logics are separated between core and periphery, and multiple demands are buffered from one another rather than being continually juxtaposed. When incompatibility is low, actors do not experience contradictions between demands. In both of these cases, there are fewer opportunities for creative tensions to arise and lead to novel possibilities.
Despite the potential value of this type of hybridity, maintaining multiple incompatible logics within the organizational core is particularly challenging. Because incompatible logics are deeply embedded in organizational functioning, conflict is likely to be endemic in this type of hybridity (Kraatz & Block, 2008). The combination of high incompatibility and high centrality also makes it hard for organizations to create a new, blended logic (e.g., Haveman & Rao, 2006; Rao et al., 2005). In contrast, when incompatible logics are split between core and periphery, conflict is likely to be less salient and less disruptive (Meyer & Rowan, 1977: 357). Incompatible activities are not only separated from one another but also accorded differential power and status within the organization. When logics are relatively compatible, conflict is likely to be even more muted, particularly when high compatibility is combined with low centrality.

The combination of opportunity and challenge that arises when logics are highly incompatible and highly central to organizational functioning creates particularly intriguing dynamics. As a result, this type of hybrid has attracted a disproportionate amount of attention from scholars seeking to explore multiple logics within organizations (see Battilana & Dorado, 2010; Battilana et al., 2011; Chen & O'Mahony, 2006; D'Aunno, Sutton, & Price, 1991; Heimer, 1999; Jay, 2012; Kodeih, 2010; Pache & Santos, forthcoming; Purdy & Gray, 2009; Reay & Hinings, 2009; Smets et al., 2012; Smith et al., 2012; Townley, 2002; Tracey et al., 2011). Following this trend in the literature, we focus on this type of hybridity as we seek to understand the varied internal dynamics of hybrids and their associated outcomes.

**A MODEL OF INTERNAL DYNAMICS AND HYBRIDITY OUTCOMES**

We now turn to explore the relationship between internal dynamics and organizational outcomes in hybrids with high logic incompatibility and high logic centrality. The underlying premise of our model is that hybrid outcomes are powerfully shaped by how multiple logics
relate to one another. In developing our argument, we first explain how logics are manifest in organizations through members and through organizational arrangements, and we show how these factors can reflect the relationship between multiple logics—specifically differentiation or integration of logics. We further clarify how differentiation and integration arise from forces in the societal environment. Finally, we explain how varying combinations of differentiation and integration give rise to different hybridity outcomes.

Differentiation and Integration of Multiple Logics within Organizations

Scholars have long recognized that institutions manifest within organizations through the mental models carried by individual members as well as through organizational arrangements such as routines, practices, structures, and identities that embody particular institutional logics (see Scott, 2008; Thornton et al., 2012). Less developed in the literature, however, is an understanding of how multiple logics are distributed across members (“member distribution”) and across organizational arrangements (“organizational distribution”). To describe these relationships, we draw from research that highlights differentiation and integration as two ways that multiple demands are distributed within an organization (Lawrence & Lorsch, 1967; Smith & Lewis, 2011; Smith & Tushman, 2005). Differentiation involves distinguishing or separating multiple demands from one another, while integration involves seeking synergies or bringing demands together into a unified whole. We argue that within hybrids, member and organizational distribution can reflect differentiation or integration of logics. They emphasize differentiation when they reinforce distinctions and separation between logics, and integration when they reinforce synergies and synthesis between logics (see Table 1).4

4 Jones and Livne-Tarandach’s (2008) study rhetorical strategies among architectural firms suggests a similar distinction in how hybrids present themselves to external audiences: they can employ integrated strategies in which they use “multivalent” terms that appeal to adherents of multiple logics or differentiated strategies in which they use terms that appeal to adherents of just one logic or another.
**Member distribution.** Member distribution describes the allocation of multiple logics across individuals within an organization. Individual actors hold mental models associated with different societal-level logics (Thornton et al., 2012) and in this way serve as carriers of those logics inside organizations. Influenced by factors such as functional background (Fligstein, 1990), professional expertise (D'Aunno et al., 1991), and prior experience (Jones, 2001; Kraatz & Moore, 2002), actors interpret organizational issues through the lens of the logic(s) they carry and enact these logics through their own behaviors. For example, in their study of change in liberal arts education, Kraatz and Moore (2002) show how college presidents with experience in colleges with professional programs attempt to implement such programs in the liberal arts setting. In doing so, these presidents serve as carriers of a professional logic that conflicts with the logic of traditional liberal arts education. Other studies show how actors can carry multiple logics simultaneously. For example, Thornton and colleagues’ (2012) account of entrepreneur J.C. Penney suggests he carried both a religious and a corporate logic, infusing both into the eponymous chain store he founded. Similarly, scientists who move between academic and industry positions become carriers of both academic and business logics as their experiences accumulate (Smith-Doerr, 1999).

While the idea that actors carry institutional logics is well established, relatively less attention has been paid to the distribution of multiple logics across actors in organizations (for exceptions, see Battilana & Dorado, 2010; Kim, Shin, Oh, & Jeong, 2007). Pache and Santos (2010) recognize that organizations facing competing demands could have neither, one, or both sides of those demands represented internally. Extending this idea, we propose that when both
sides of competing demands—i.e., multiple incompatible logics—are represented internally, they can be distributed across members as either differentiated or integrated. When member distribution is primarily differentiated, some members are carriers of one logic while other members are carriers of the competing logic. When member distribution is primarily integrated, most members are carriers of both logics.

In a differentiated member distribution, the values, norms, and behaviors associated with each logic are held and enacted by different members. Such differentiation can occur whether or not these members are located in distinct organizational sub-units. For example, Zilber (2002) describes how an Israeli rape crisis center included both founding members who carried a feminist logic as well as newer members who carried a therapeutic professional logic. In this instance, carriers of the conflicting logics resided within a single organizational unit. Similarly, in BancoSol, one of the microfinance organizations studied by Battilana and Dorado (2010), a differentiated member distribution was evident among loan officers, some of whom were carriers of the organization’s banking logic, others of whom were carriers of its development logic. In other hybrids, carriers of different logics reside in different organizational sub-units, such that differentiation in member distribution overlaps with differentiation in formal structure. Glynn’s (2000) study of the Atlanta Symphony Orchestra illustrates this possibility. Musicians carried the organization’s artistic logic, while administrators carried its economic logic.

When member distribution is primarily integrated, the values, norms, and behaviors associated with each logic are shared across members of the organization. Los Andes, the second microfinance organization studied by Battilana and Dorado (2010), illustrates an integrated member distribution. Organizational leaders hired members with little prior experience and socialized them to be carriers of both banking and development logics. In Golden-Biddle and
Rao’s (1997) study of a medical non-profit, board members were carriers of both friendship and monitoring logics. Similarly, in the work integration enterprise Digital Divide Data (Smith et al., 2012), most organizational members carried both commercial and social welfare logics. In their study of university strategy, Jarzabkowski and Sillince (2007) illustrate an integrated member distribution involving three logics, depicting faculty and administrators as carriers of teaching, research, and commercial logics simultaneously.

The extent of differentiation and integration in member distribution is powerfully shaped by features of an organization’s environment. First, the ecological dynamics of particular fields—i.e., organizational founding, dissolution, and merger— influence the types of workers who enter and exit organizations and, by extension, the availability of new organizational members who carry particular logics (Haveman & Cohen, 1994; Haveman, 1995). The nature of professional socialization and training also strongly influences the availability of members who carry particular combinations of logics (Jones & Dunn, 2007). In health care, for example, physicians undergo separate training from administrators. This differentiation of educational institutions at the field level has historically resulted in a differentiated distribution of logics among members within hospitals. With the rise of physician executive programs and others that combine clinical with managerial training, however, actors that integrate multiple logics may become more prevalent (Scott, Ruef, Mendel, & Caronna, 2000). Similarly, training and socialization for academic scientists and pharmaceutical executives has historically been quite distinct (Murray, 2010). But as opportunities arise for actors to be socialized in academic as well as commercial logics (e.g., Smith-Doerr, 1999), organizations can now potentially hire members who carry both logics, not just one or the other, increasing the likelihood of integrated member distributions within organizations in this field.
Organizational distribution. In addition to being carried by individual members, logics manifest in organizational routines, practices, structures, identities, and other material and symbolic arrangements (Thornton et al., 2012). Organizational distribution refers to the way multiple logics are allocated across these arrangements. Prevailing institutional logics within a field frequently prescribe particular organizational arrangements. Adopting these arrangements enables organizations to gain and maintain legitimacy. As broader cultural and historical forces lead to changes in the logics that dominate a particular field, these arrangements shift. For example, Haveman and Rao’s (1997) study of the thrift industry shows how organizational practices and structures regarding membership, governance, and technology, as well as the types of products offered, changed as the rise of Progressivism and a growing transient population led to the decline of an institutional logic of mutuality and the ascendance of a logic of bureaucracy. Similarly, Thornton (2002) shows how the demise of an editorial logic and the rise of a market logic in higher education publishing drove the adoption of the M-form organizational structure within publishing firms. In his study of mutual funds, Lounsbury (2007) illustrates how the performance and trustee logics dominant in New York and Boston, respectively, were reflected in distinct contracting practices adopted by mutual funds in each geographic region. Other studies illustrate how logics manifest in symbolic organizational arrangements. For example, Jones and Livne-Tarandach (2008) show how business, profession, and state logics are embodied in the rhetorical frames adopted by architectural firms. Kraatz and Block (2008) and Glynn (2008) describe the manifestation of logics in organizational identities (see also Glynn & Abzug, 2002; Navis & Glynn, 2010).

While these studies show how organizational arrangements embody particular logics, they tell us less about how arrangements simultaneously embody multiple incompatible logics.
As with member distribution, we argue that multiple logics can manifest in organizational arrangements as primarily differentiated or primarily integrated. In their distinction between “ideographic” and “holographic” hybrid organizations, Albert and Whetten (1985) describe how incompatible organizational identities, which reflect broader societal-level logics, can be differentiated or integrated in organizational structures. Their discussion suggests that “ideographic” hybrids have differentiated structures in which incompatible logics are embodied in distinct sub-units, whereas “holographic” hybrids have integrated structures in which incompatible logics are shared across all sub-units. The concept of organizational distribution extends this idea, by recognizing that logics can be differentiated and integrated in informal routines and practices in addition to organizational structures and identities.

When hybrids have a differentiated organizational distribution, conflicting logics are embodied in and enacted through separate routines, practices, structures, and identities. For example, Dunn and Jones’ (2010) study of medical education paints a picture of medical schools as having differentiated organizational arrangements in which logics of science and care are enacted through distinct parts of the curriculum and tested on separate sections of licensing exams. Differentiated organizational arrangements are also apparent in Thornton and colleagues’ (2012) description of the investment firm Putnam, which separated mutual funds and practices associated with the trustee logic from those associated with the market logic. Kodeih’s (2010) research on conflicting logics within the field of French business education provides another illustration of differentiated organizational arrangements. In response to the introduction of a new logic of international management education, some French business schools created a differentiated organizational identity with distinct elements corresponding to the new international logic and the existing national logic of business education. They also developed
differentiated educational practices, separating their existing nationally oriented degree programs from new internationally oriented ones.

In contrast, when hybrids have an integrated organizational distribution, conflicting logics are embodied in and enacted through routines, practices, structures, and identities that combine and integrate elements of multiple logics. For example, Chen and O’Mahony’s (2006) comparative ethnography of the Burning Man arts festival and the Open Source software development community shows how the formal organizations that both groups developed combined elements of production and expression logics to create integrated practices embodying both logics. French business schools provide another illustration. While some of these schools, described above, created differentiated organizational arrangements, others created integrated arrangements. They developed an organizational identity that combined the new international logic with the existing national logic of business education, and they incorporated international components into their existing degree program, resulting in a program that embodied both logics simultaneously (Kodeih, 2010).

As with member distribution, the societal environment influences the extent of differentiation and integration in organizational arrangements. This occurs as key stakeholders, agencies, and other institutional referents create legitimizing demands for appropriate organizational routines, practices, structures, and identities (Thornton et al., 2012). When incompatible logics are endorsed by separate institutional actors, organizations are likely to develop differentiated arrangements in order to demonstrate clear conformity with these varied actors’ expectations. For example, D’Aunno and colleagues (1991) show how community mental health centers that diversified into drug abuse treatment faced conflicting pressures from distinct sets of institutional actors. Actors associated with the drug abuse field promoted universal
treatment practices designed to achieve complete abstinence, while those associated with the mental health field promoted customized treatment practices designed to address patients’ underlying psychosocial problems without emphasizing complete abstinence. Centers responded to these divergent prescriptions by incorporating distinct work practices associated with each logic of care. Similarly, Pache and Santos (forthcoming) show how French work integration enterprises adopted distinct practices prescribed by different institutional referents associated with their social welfare and commercial logics, respectively. In contrast, a single set of field-level actors that promote incompatible logics facilitates the development of integrated organizational arrangements. In the field of social enterprise, for example, funding and legitimating agencies such as Ashoka and the Schwab Foundation for Social Entrepreneurship actively endorse the integration of conflicting social welfare and commercial logics. As these actors gain power within the field, they create both pressure and opportunity for social enterprises to develop more integrated routines, practices, structures, and identities.

**Impact of Logic Differentiation and Integration on Organizational Outcomes**

Having explained how multiple logics manifest across members and organizational arrangements, we now consider the relationship between these factors and their impact on outcomes. While member and organizational distribution are distinct factors, they influence one another, creating a tendency for both factors to reflect either differentiation or integration. This occurs for two reasons. First, individuals create and enact organizational arrangements that reflect the logics they carry. For example, Colyvas (2007) shows how scientists’ differing interpretations of academic and commercial logics guided the varied practices and routines they developed in early technology transfer activities at Stanford University. Second, organizational arrangements influence the mental models carried by members. Jackall’s (1988) ethnography of
corporate managers illustrates this dynamic, showing how managers internalize particular conceptions of ethical and unethical behavior as they experience practices associated with a patrimonial bureaucracy logic.

In hybrids, these reinforcing relationships mean that when logics are differentiated across members, these members are likely to create differentiated organizational arrangements in which logics are enacted separately. When logics are integrated across members, these members tend to create organizational arrangements that integrate multiple logics. Similarly, organizational arrangements that separate logics tend to shape members to be carriers of one logic or the other, while arrangements in which logics are combined foster members who carry both logics. In the model we develop below, we propose that differentiation of logics in both member and organizational distribution leads to intractable conflict, while integration of logics in both distributions results in the dominance of a single logic.

Our model also allows for the possibility that hybrids can combine differentiation in one distribution with integration in the other. This can occur when leaders assert agency to alter the distribution of logics within hybrids, offsetting the mutually reinforcing relationship between member and organizational distribution. Asserting agency amidst existing forces is challenging, yet leaders may be more successful in doing so under several conditions. First, while scholars have long recognized that actors can think and act outside of the logics they carry (Friedland & Alford, 1991), organizational hybridity that involves high logic incompatibility and centrality provides greater opportunity for agency than other types of hybridity. This occurs because the juxtaposition of competing institutional demands creates a dialectical tension that offers an opportunity for leaders to respond (Seo & Creed, 2002; Smets et al., 2012). Second, Goodrick and Salancik’s (1996) study of discretion in hospital practices suggests leaders have more
discretion when logics are ambiguous rather than specific in their prescriptions (see Greenwood et al., 2011). Third, leaders have greater discretion in emergent, rather than mature, fields, as expectations for appropriate organizational arrangements are unlikely to have coalesced into rigid prescriptions (Navis & Glynn, 2010). Fourth, the temporal sequencing of environmental jolts, performance crises, and other adverse events can provide leaders with both greater awareness of the potential value of altering the distribution of multiple logics and also create a sense of urgency for doing so (see Greenwood & Suddaby, 2006; Thornton et al. 2005).

When leaders assert agency, they are likely to have more discretion over organizational than member distribution. The way members carry logics is highly constrained by how workers are trained and socialized at the field level, such that leaders may have limited access to potential members who carry a particular combination of multiple logics. Moreover, in established firms, leaders can more easily adjust organizational arrangements than alter the membership profile of an entire organization. To the extent that discretion over member distribution is possible, it is more likely to occur in new organizations, through leaders’ influence over hiring and socialization processes (i.e., Battilana & Dorado, 2010).

In the model we develop below, we propose that combining differentiation and integration enables organizations to overcome intractable conflict or logic dominance and maintain incompatible logics in productive tension within the organizational core. Scholars have noted in other organizational domains how differentiation and integration provide a powerful force in combination with one another (i.e., Lawrence & Lorsch, 1967; Okhuysen & Bechky, 2009; Smith & Lewis, 2011; Smith & Tushman, 2005). Our model adopts these insights as we consider the relationship between differentiation and integration of logics within organizations. Because member distribution is relatively more constrained than organizational distribution, we
start with a particular member distribution and then explain how different organizational distributions impact outcomes. Table 2 summarizes our argument.

Differentiated member distribution. When incompatible logics are carried by different organizational members, similarities in values and practices draw members who carry the same logic toward one another and away from members who carry the opposing logic. Over time, informal sub-groups associated with each logic are likely to emerge. Sub-groups may co-exist peacefully for limited periods of time. However, when resource scarcity or environmental shifts make salient the tensions associated with multiple logics (Smith & Lewis, 2011), sub-group members are likely to feel threatened and respond by seeking to protect their own group’s resources, power, and identity. Ultimately, this could create inter-group conflict. For example, Glynn’s (2000) study of the Atlanta Symphony Orchestra demonstrates how sub-groups formed around administrators and musicians, who carried distinct economic and artistic logics. Musicians saw the orchestra as an artistic organization that produced the highest quality music, while administrators perceived it as an economic organization that needed to be financially sustainable. They also conceived of the organization’s core capabilities and resources in terms of either the organization’s artistic identity or its economic identity but not both, and they used rhetoric that reinforced their own group’s conceptions of the organization’s identity and denigrated the other group. When salary negotiations highlighted these differences, conflict erupted between musicians and administrators.

The literatures on groups and occupations within organizations suggest at least three mechanisms that contribute to the emergence of conflict in such situations. First, sub-group
members demonstrate preferences for others in their group, even in the context of arbitrary and insignificant membership categorization (Brewer, 1991; Tajfel, 1970). In-group favoritism and out-group hostility can become even more relevant when membership boundaries reflect more significant distinctions (Tajfel & Turner, 1986), as in hybrid organizations. Second, group members engage in processes of mutual dis-identification, in which they define who they are as a group based upon the characteristics of an out-group that they are not (Fiol, Pratt, & O'Connor, 2009). Mutual dis-identification leads members to focus on the differences between them, encouraging them to become even more self-protective and exacerbating inter-group conflict. Third, when group boundaries overlap with occupational or professional boundaries, actors’ desires to protect and enhance the power and status of their occupational or professional group further exacerbates conflict. According to the professions literature, occupational groups seek to gain and maintain status by claiming jurisdiction over higher-level tasks, leaving lower-level tasks to other occupational or professional groups (Abbott, 1988; Starr, 1982). Conflict emerges between groups as they battle for control over tasks, and it is especially likely when demographic differences overlap with sub-group boundaries (DeBenigno & Kellogg, 2012).

Differentiated organizational arrangements reinforce the development of sub-group conflict, as they emphasize distinctions between members who carry opposing logics. As studies of occupational groups in organizations illustrate, when members who carry incompatible mental models are in separate formal organizational units that have separate routines and practices, it is especially challenging for them to find common ground. In her study of a semiconductor equipment manufacturer, for example, Bechky (2003b) shows how engineers, assemblers, and technicians not only carried differing mental models about the production process but also were housed in separate departments with distinct work practices, such as the production of conceptual
drawings versus the building of physical machines. This differentiation in organizational arrangements exacerbated misunderstanding and conflict between sub-groups of engineers, assemblers, and technicians, as they struggled to reconcile their divergent approaches to the production process. Similarly, Battilana and Dorado (2010) show how differentiated work practices, such as administrative procedures consistent with the banking but not the development logic, exacerbated conflict between carriers of the two logics at the BancoSol microfinance organization. Glynn’s (2000) study of the Atlanta Symphony Orchestra also involves differentiation in both member and organizational distribution, as administrators and musicians were housed in separate formal departments with organizational routines and practices specific to the economic and artistic logics respectively.

Even if sub-groups resolve a particular point of tension, the underlying competing demands associated with incompatible logics remain. As a result, when new tensions emerge and distinctions between sub-groups become salient, members again engage in in-group favoritism and out-group hostility, mutual dis-identification, and battles for jurisdictional control, all of which precipitate additional conflict. Over time, these cycles become embedded within differentiated hybrids and conflict becomes intractable—characterized by protracted clashes that resist resolution (Fiol et al., 2009). In the case of the Atlanta Symphony Orchestra (Glynn, 2000), for example, musicians and administrators overcame the tensions that arose during salary negotiations, but underlying antagonism persisted, ready to re-emerge as new issues made tensions salient once again. Similarly, at BancoSol, conflict escalated to the point where it reached “crisis proportions,” leading to significant employee turnover and the forced resignation of the CEO (Battilana & Dorado, 2010).
Proposition 1: The more that both member and organizational distribution are differentiated, the more likely it is for organizations to become enmeshed in intractable conflict.

Integrated organizational arrangements—both symbolic and material—can offset the tendency for intractable conflict to develop in hybrids with a differentiated member distribution. Symbolic organizational arrangements, such as an integrative identity, can help bring together disparate groups and prevent conflict from escalating to the point where it becomes counter-productive (Fiol et al., 2009). For example, Sherif’s (1961) foundational research on group conflict shows how the introduction of a superordinate goal which integrates the varied goals of conflicting sub-groups motivates collaboration, inspires the search for new information, and results in novel, creative problem-solving. Research on organizational ambidexterity illustrates the value of an integrative identity. For example, Tushman and colleagues (2010) find that an overarching, integrative identity is critical to motivate cooperation across sub-groups attending to competing demands associated with exploration and exploitation. Similarly, Eisenhardt and Westcott (1988) argue that overarching goals allowed Toyota employees to consistently find new, creative solutions in the face of competing strategic demands. Taken together, this work suggests that sub-group conflict is redirected toward more productive ends when symbolic organizational arrangements, such goals and identities, are integrated. In particular, as sub-groups experience threat, an integrative identity helps minimize the stress and anxiety that arise from threat and helps members be more open and willing to work across sub-groups to find creative alternatives that satisfy the groups’ competing demands.

Material organizational arrangements can further serve to mitigate conflict between sub-groups of members who carry different logics or mental models. For example, the cross-occupational collaboration literature suggests that rules and routines (Carlile, 2004), shared
spaces (Bechky, 2003b), and tangible objects (Bechky, 2003a) can help overcome intractable conflict in hybrids with differentiated member distributions. In Bechky’s (2003a; 2003b) study of a semiconductor equipment manufacturer, described above, common physical spaces as well as concrete objects such as engineering drawings and machines helped employees manage conflict and solve problems that cut across the boundaries of occupational sub-groups. Tangible objects, in the form of reports and documents, also play a central role in Kellogg and colleagues’ (2006) study of collaboration among members of different work communities within an interactive marketing organization, while Kellogg’s (2009) study of collaboration among surgical residents highlights the importance of having a shared physical space where members can come together.

Any one of these integrated arrangements in isolation may not be sufficient to overcome intractable conflict. For example, in the BancoSol microfinance organization (Battilana & Dorado, 2010), intractable conflict persisted between “bankers” and “social workers” even though organizational leaders sought to develop an identity that integrated banking and development logics. However, several studies illustrate how adopting multiple integrated organizational arrangements can be more effective. For example, in Jarzabkowski, Matthiesen and Van de Ven’s (2009) study of a utility company that embodied conflicting regulatory and market logics, escalating conflict between the divisions associated with each logic prompted leaders to create overarching goals and specific work practices that required the two divisions to collaborate. Together, these integrative arrangements enabled the divisions to work together to meet both regulatory and customer service demands. Smets and colleagues’ (2012) study of Justitia, a global law firm, provides another illustration of how adopting multiple types of integrative organizational arrangements can mitigate conflict between sub-groups. Conflict arose
between Justitia’s English and German lawyers, whose differing legal training led them to carry distinct professional logics and correspondingly adopt different and often contradictory approaches to solving clients’ legal problems. Recognizing that this conflict was increasingly hampering the firm’s ability to meet client demands, lawyers ultimately developed a set of integrative work practices. These practices included the use of visual diagrams and draft agreements that combined elements of the English legal professional logic, which emphasized a pragmatic approach, with the German legal professional logic in which complying with “the letter of the law” was more important than “getting the deal done.” While these practices initially emerged informally among individual groups of lawyers, they were ultimately consolidated and formalized at the organizational level. Their use across the firm fostered greater understanding between sub-groups of lawyers, enabling them to work together productively.

Integrative organizational arrangements in hybrids with a differentiated member distribution do not completely eliminate differentiation, but rather offset the emphasis on differentiation with an emphasis on integration. O’Mahony and Bechky’s (2008) study of collaboration through the use of boundary organizations in the open source software community illustrates this point. As the authors explain: “The job of a boundary organization was not to collapse or merge divergent worlds but to preserve each world’s integrity while building a bridge between them. Only by preserving the boundaries that separated the two parties could boundary organizations sustain their ability to represent either party” (p. 450). Similarly, writing about integrative goals and overarching identities, Fiol and colleagues (2009) emphasize that these approaches are not likely to be effective in resolving inter-group conflict unless sub-group members retain their own distinctive identities.

Proposition 2: In organizations in which member distribution is primarily differentiated, the more that organizational arrangements are integrated, the
greater the likelihood that organizations can maintain multiple logics in productive tension.

**Integrated member distribution.** An integrated member distribution means that most organizational members carry both logics. When tensions between logics become salient in such an organization, members often experience ambiguity and ambivalence (i.e., Merton, 1976; Pratt & Praidès, 2012; Weigert & Franks, 1989). One way to resolve ambiguity in the face of competing demands is to seek consistency (see Lewis, 2000; Smith & Lewis, 2011). Actors within hybrids can do this by developing a blended logic that combines elements of the multiple logics embodied with the organization. Glynn and Lounsbury (2005) demonstrate this kind of blending at the field level. However, when logics are relatively incompatible, achieving a true blending of logics is difficult, as several mechanisms lead one logic to become dominant while the other becomes peripheral. Consistent with this argument, Thornton and colleagues (2012: 166-167) note that the few empirical studies that seem to describe logic blending at the field level may actually be capturing “assimilation,” in which one logic dominates but incorporates select elements of the incompatible logic.

When organizations have a member distribution that is primarily integrated, they lack unique representatives of each logic, which can lead to failure to recognize what is distinct and valuable about each logic. This tendency can be readily observed in the innovation and technology literature. For example, Tripsas and Gavetti (2000) describe how, in the face of technological advances for digital imaging, Polaroid executives sought to develop a blended strategy that integrated analog imaging and digital imaging. Yet because they had an existing commitment in their analog business to making money on film, they continued to use this same strategy for digital imaging. Without powerful representation from the new technology, they
failed to see that film would become obsolete in digital imaging. This inability to recognize the unique attributes of digital imaging led to the decline and eventual demise of the company.

Power dynamics at the field level create further pressure for organizations attempting to blend logics to emphasize the elements of one logic over those of the other. For example, D’Aunno and colleagues (1991) find that health care facilities combining mental health logics with drug abuse treatments logics incorporated practices based on a “hierarchy of institutional demands.” Practices prescribed by more powerful institutional referents were incorporated more extensively. As a result, mental health practices remained dominant and central to the functioning of these hybrids, while practices associated with the drug abuse treatment logic were adopted only in select symbolic areas.

Integrative organizational arrangements reinforce the tendency for one logic to become dominant. By combining the elements of conflicting logics within in a single set of routines, practices, structures, and identities, integrative organizational arrangements make it difficult for actors to recognize the unique features and distinct value of each logic. As research on group decision making suggests, absent formal practices, roles, or structures that represent and surface alternative perspectives, there is a tendency for a single, initial point of view to dominate (Janis, 1982; Schweiger, Sandberg, & Ragan, 1986). Over time, inertial forces lead the enacted perspective to become embedded in organizational practices, routines, and structures (see Gilbert, 2005; Tripsas & Gavetti, 2000). In hybrids, the result is that organizational arrangements that were once integrated come to embody just one of the organization’s incompatible logics, with the other logic enacted through peripheral and largely symbolic arrangements, if at all.

Battilana and Dorado (2010) explain how these dynamics unfold in the Los Andes microfinance organization. Los Andes’ leaders hired inexperienced members and socialized
them to be carriers of a blended logic of operational excellence that combined elements of the banking and development logics on which the organization depended. They also created integrated organizational arrangements, explicitly stating in their annual report that Los Andes sought “to reconcile its social goals with deriving an economic yield” (quoted in Battilana & Dorado, 2010: 1430). This strategy appeared to work in the short term, enabling Los Andes to sustain its social mission while also generating a financial profit. However, the authors note that it carried a substantial risk over the long term. By pursuing a blended logic of operational excellence, Los Andes could potentially lose focus on the development logic on which its legitimacy depended. This outcome is evident in other microfinance organizations. At Compartamos in Mexico and SKS Microfinance in India, a commercial banking logic now dominates operations, while the development logic has become peripheral and largely symbolic. These organizations rely on funds from public markets, and, according to observers in the field, they also charge interest rates that enable them to generate increasing profits and engage in marketing and loan collection practices that resemble those of traditional banks (Pache & Santos, 2010; Yunus, 2011).

Proposition 3: The more that both member and organizational distribution are integrated, the greater the likelihood that one logic will dominate organizational functioning, while the other logic becomes peripheral.

Differentiated organizational arrangements can offset the tendency for one logic to become dominant in hybrids with an integrated member distribution. When logics are embodied in separate routines, practices, structures, and identities, members are likely to be more aware of each logic’s distinct value. While this awareness does not eliminate members’ experience of inconsistency, it does enable them to respond to this experience differently, by developing solutions that incorporate both logics, rather than enacting just one logic or the other.
The role of differentiation in encouraging solutions that incorporate conflicting demands is evident in a number of different literatures. Research on mindfulness suggests increased attention to detail, sensitivity to context, and recognition of novel stimuli encourage creative solutions to problems (Langer, 1989; Weick, Sutcliffe, & Obstfeld, 1999). In the negotiations field, studies show that when actors obtain information about the distinct interests and needs of their negotiating partner, they are more successful in reaching an agreement that meets the needs of both parties (McGinn, Thompson, & Bazerman, 2003). The literature on diversity suggests that recognizing and valuing distinctions associated with different racial and ethnic backgrounds enables work groups to successfully incorporate and learn from the perspectives of culturally diverse members (Ely & Thomas, 2001). In contrast, when work groups attempt to create a common, integrated culture without recognizing the distinct perspectives associated with different racial and ethnic backgrounds, the values and ideas of a single culture or race (usually white) end up dominating.

Ambidexterity research also highlights the role of differentiation to offset forces for integration and enable organizations to address competing demands (Andriopoulos & Lewis, 2009; Smith & Tushman, 2005). In research on product design firms, Andriopoulos and Lewis (2009) find that those most successful in pursuing both exploration and exploitation projects, rather than just one type of project or the other, socialized members to be “practical artists” who combined logics of exploration and exploitation, but then coupled this integration among members with organizational arrangements that differentiated the two activities. Firms developed project portfolios in which some projects involved clearly incremental designs while others called for breakthrough designs. They further delineated distinct exploration and exploitation work phases within projects and established distinct creative and business roles.
Digital Divide Data (DDD), a work integration social enterprise, illustrates the impact of balancing an integrated member distribution with a differentiated organizational distribution (Smith et al., 2012). DDD seeks to break the cycle of poverty in developing countries by educating and employing disadvantaged people in a for-profit information technology business. Their managers and employees were strongly committed to both the organization’s social mission of work integration and its business mission of providing efficient, quality services for clients. Similarly, the organization’s structure and work practices initially integrated commercial and social welfare logics. However, integration of the two logics among both members and organizational arrangements led DDD to lose sight of the distinct value of each one. As a social enterprise, they emphasized their social mission at the expense of economic viability. This led them to a near financial collapse. Senior managers responded by creating differentiated organizational routines and practices. They established a board of directors with a primary focus on fiscal responsibility, and they established separate financial statements for the business and social mission sides of the organization. They also developed distinct socialization and training programs that cultivated business skills through a mini-MBA program, while cultivating an appreciation for the social mission through direct immersion in the lives of the disadvantaged people the organization sought to help. Taken together, these practices helped managers reincorporate both logics within the organizational core. For example, instead of hiring either the most disadvantaged people or those with high skills, managers sought out the most skilled among the disadvantaged populations DDD sought to help. Similarly, instead of trying to win clients by emphasizing either the social mission or the price and quality of services provided, managers developed marketing pitches that opened by highlighting DDD’s social mission and closed by emphasizing its price and quality.
Proposition 4: In organizations in which member distribution is primarily integrated, the more that organizational arrangements are differentiated, the greater the likelihood that organizations can maintain multiple logics in productive tension.

In this section, we discussed three possible outcomes in hybrids with highly incompatible and highly central logics: becoming mired in intractable conflict, shifting to one dominant logic, or maintaining multiple logics in productive tension. These outcomes have varying benefits to hybrids. First, intractable conflict is of limited value. Although conflict can provide creative tensions and benefit organizational performance, intractable conflict is associated with both relational and task challenges and often leads to declining performance (Battilana & Dorado, 2010; Fiol et al., 2009).

Second, dominance of one logic may be desirable when a field is in transition and shifting from one logic to another. Indeed, much scholarship in institutional theory explores the nature and processes by which logics transition at the field and organizational level (e.g., Haveman & Rao, 1997; Haveman & Rao, 2006; Lounsbury, 2002; Thornton, 2004; Thornton et al., 2005). Yet while logic transition is an important process, organizations in many fields face enduring institutional complexity, in which incompatible logics co-exist over long periods of time (Greenwood et al., 2011). As we noted earlier, this often occurs when organizations lie at the interstices of multiple fields, depend on disparate professional or occupational groups, or value creativity. Under such conditions, treating one logic as dominant within organizational core and enacting other(s) through peripheral features can potentially undermine long-term organizational success. Such logic dominance impedes an organization’s ability to garner resources and maintain legitimacy with all the constituencies on whom it depends.

In contrast, maintaining multiple logics in productive tension can be particularly valuable under conditions of enduring institutional complexity. Productive tension between logics enables
organizations to respond to both sides of incompatible demands without becoming mired in intractable conflict. For example, the ability to enact both Anglo and German legal logics has enabled the global law firm Justitia to successfully meet the often conflicting legal demands of clients operating in both jurisdictions (Smets et al., 2012). Maintaining logics in productive tension is also valuable when entrepreneurs purposely create organizations that juxtapose multiple logics. Productive tension between logics enables novelty (Seo & Creed, 2002) and thereby helps organizations develop innovative solutions to social problems (Tracey et al., 2011) or gain new sources of competitive advantage (DiMaggio, 1988; Thornton et al., 2012).

**DISCUSSION**

As environments become more complex, organizations must increasingly attend to multiple institutional logics. While embedding multiple logics within organizations can be valuable, such organizational hybridity can also be tremendously challenging. In this paper, we sought to address the growing research around this phenomenon. To do so, we proposed a framework that offered conceptual clarity about the nature of organizational hybridity. We further developed a model of internal dynamics and organizational outcomes that integrated varied, disconnected studies on hybrid structures and practices. Taken together, this framework and model make three significant contributions to the literature on hybridity.

Our first contribution is to recognize the diversity of hybrid organizations and propose two key dimensions along which hybrids differ. Previous research has offered varied definitions of hybrids. For example, some scholars focus on organizations that embed conflicting logics (Battilana & Dorado, 2010; Battilana et al., 2011; Jay, 2012; Pache & Santos, forthcoming) while others refer to hybrids as organizations that blend relatively compatible logics (Haveman & Rao, 1997; Rao et al., 2005; Stark, 1996). We sought to clarify the concept of a hybrid by
unifying these divergent approaches. To do so, we adopted a broad definition of hybrids as organizations that embed multiple institutional logics. Within this broad definition, we proposed different types of hybridity. Drawing on the alternative perspectives in the literature, we suggested that these types vary based on the incompatibility and centrality of the multiple logics embodied within an organization. We further explained how the nature and challenges of hybridity vary across different types.

One implication of our framework is to suggest that the antecedents, internal dynamics, and outcomes of organizational hybridity diverge across different types. Studies of hybrids would therefore benefit from specifying the degree of logic incompatibility and logic centrality. A second implication is to recognize the value of exploring different types of hybridity in more depth. Our framework highlights how much of the contemporary literature focuses on hybridity involving high logic incompatibility and high logic centrality. This might be the case because of the value and the challenge of this type of hybridity. However, our framework also provides a starting point for understanding characteristics and outcomes of other types of hybridity and for making comparisons across types. For example, changes in logics at the field level are likely to have distinct effects on different types of hybrids. Shifts in the societal environment that increase the salience of a second logic might be more disruptive to hybrids in which one logic is central while other(s) are peripheral, than to hybrids that already embed multiple logics within the organizational core. Future research can provide additional insight into how types of hybrids differ from one another.

Second, our model of internal dynamics and organizational outcomes contributes to a growing body of research on multiple logics within organizations by integrating varied insights from these studies. One stream of research on multiple logics emphasizes how field-level factors
create the conditions for organizational hybridity and influence its outcomes (Greenwood et al., 2011; Pache & Santos, 2010). Greenwood and colleagues (2011) describe the environmental conditions that give rise to hybridity in terms of “institutional complexity,” while Kraatz and Block (2008) refer to “institutional pluralism.” Complementing these field-level studies, a growing body of research suggests that understanding hybridity requires us to look beyond the environment and understand the dynamics inside the organizations (see Suddaby, 2010). Our model contributes to and extends research at the organizational level by integrating studies about particular organizational characteristics of hybrids. While these studies identify how isolated organizational factors impact hybrid outcomes, a key contribution of our model is to emphasize the relationship between logics within and across these factors. Specifically, we note that logics can be embedded in members and in organizational arrangements, and we explain that multiple logics can be distributed across these factors as either differentiated or integrated. We propose that organizational outcomes depend on the combination of differentiation and integration across these different factors.

By focusing on the relationship between multiple logics, we link research on institutional logics with a broad range of organizational theories that address competing demands within organizations. Increasingly, scholars recognize the inherent competing demands facing organizations and argue that organizations must attend to these demands simultaneously rather than avoid them. Paradox theorists emphasize the inherent nature of competing demands in organizations across multiple levels and types (Cameron & Quinn, 1988; Smith & Lewis, 2011; Van de Ven & Poole, 1988). Other scholars explore more specific competing demands in organizations such as those that arise between exploration and exploitation (Andriopoulos & Lewis, 2009; Smith & Tushman, 2005), social and financial missions (Margolis & Walsh, 2003;
Smith et al., 2012), and multiple occupational groups (Bechky, 2003a; Kellogg, Orlikowski, & Yates, 2006). We link institutional theory with this broader range of organizational theories by suggesting that the competing demands of multiple logics may reflect paradoxical tensions, and that organizations can benefit from attending to the paradoxical tensions of these multiple logics simultaneously. By recognizing the inherent demands of multiple logics, we also connect research on hybrids with foundational ideas in institutional theory, particularly the work of Philip Selznick (1949; 1957). Selznick highlighted the complex dynamics within organizations that results from their simultaneous embodiment of multiple values and identities driven by broader societal forces. An important but often overlooked insight from Selznick’s work is that organizations can benefit from sustaining these multiple values and identities, rather than trying to avoid or resolve conflict between them (cf. Oliver, 1991; Pache & Santos, 2010).

Drawing from early insights in contingency theory (Lawrence & Lorsch, 1967), several of the contemporary theories further posit that effectively attending to competing demands simultaneously depends on differentiating and integrating (Andriopoulos & Lewis, 2009; Smith & Lewis, 2011; Smith & Tushman, 2005; Smith et al., 2012). We incorporate this insight, demonstrating the impact of differentiating and integrating multiple logics within organizations. Whereas extant research highlights differentiation and integration of managerial cognition (Smith & Tushman, 2005) and organizational practices (Andriopoulos & Lewis, 2009), we extend these insights by exploring how the distribution of people and practices at the organizational level can serve to differentiate and integrate logics that emerge from the societal level. We further explicate specific mechanisms and outcomes that arise from primarily differentiating, primarily integrating, or engaging both integration and differentiation together. By continuing to connect institutional theory with research on paradox and multiple demands,
future research can offer additional insights into how hybrids can benefit from embedding multiple logics simultaneously.

Our third contribution is to disentangle members as carriers of logics from organizational arrangements as carriers of logics, and to show how and when leaders have discretion to influence these factors. While prior research recognizes that logics can be both carried by organizational members and represented in organizational arrangements, this extant research predominantly focuses on one dimension or the other (see Thornton et al., 2012). This may be largely due to the mutually reinforcing relationship between the representation of logics among members and in organizational arrangements. Our model disentangles these two dimensions and suggests that they can vary from one another in terms of how multiple logics are distributed. Specifically, we suggest that while a differentiated or integrated distribution of logics among members often leads to the same type of distribution in organizational arrangements (and vice versa), member and organizational distribution can also differ from one another such that one is differentiated while the other is integrated. By distinguishing member distribution from organizational distribution, we contribute a more nuanced model of internal processes within hybrids. Specifically, our model identifies the conditions under which these distributions vary from one another and explains how the combination of differentiation in one distribution and integration in the other enables hybrids to maintain multiple logics in productive tension.

By disentangling member from organizational distribution, our model further points to boundary conditions for previous theory and research on the outcomes experienced by hybrids. For example, Kraatz and Block (2008) suggest that developing an integrated organizational identity enables hybrids to sustain incompatible logics in productive tension in the face of competing institutional demands. Our model indicates that such integrative organizational
arrangements enable organizations to maintain logics in productive tension when offset by forces for differentiation in member distribution, but that they can promote the dominance of one logic when member distribution is also integrated. Similarly, Battilana and Dorado (2010) suggest hybrids that develop member sub-groups associated with each logic are likely to experience internal conflict and performance problems. Our model indicates that such an outcome is likely when a differentiated member distribution is reinforced by differentiation in organizational arrangements, but that conflict may be redirected toward more productive ends when organizational arrangements integrate incompatible logics.

In addition, by distinguishing between member and organizational distribution, our model recognizes the potential for leaders to assert agency to impact hybrid outcomes. Much of the research treats organizational hybridity as driven and constrained by the societal environment. For example, a field with highly fractured professional organizations is likely to produce a highly fractured member distribution of within hybrids. Our model acknowledges the extent to which the internal distribution of logics is powerfully shaped by the environment, and it recognizes the mutual influence between the distribution of logics among members and their distribution in organizational arrangements. Yet, it also points to conditions under which leaders have agency to influence the distribution of logics. For example, we suggest that leaders have more discretion in emergent rather than mature fields and in times of organizational crisis or environmental jolts. Moreover, we suggest that particularly in mature fields, leaders have more discretion to impact organizational distribution, rather than member distribution. Finally, we recognize that these conditions are limited, which helps explain why maintaining multiple logics in productive tension, is so challenging for organizations. Our model therefore argues that even as societal level institutional forces constrain organizations, agency is possible and critical, albeit limited. In
this way, we connect research on organizational hybridity with broader conversations in institutional theory that explore how organizations are influenced by both agency and structure (Greenwood & Suddaby, 2006; Hallett & Ventresca, 2006; Lawrence & Suddaby, 2006).

Our model and framework suggest several additional directions for future research. First, we described member and organizational distribution as primarily differentiated or primarily integrated. However, we believe that these distributions are continuous and recognize that organizations can combine differentiation and integration within, not only across dimensions. For example, Besharov’s (2012) study of the socially responsible retail company “Natural Foods” illustrates a member distribution that is both differentiated and integrated. Some members were carriers of a social welfare logic associated with the company’s mission of improving health, well-being, and environmental sustainability, while others were carriers of a market logic associated with the company’s goal of generating wealth and profits for investors. Still other members carried both logics. Similarly, research suggests organizational arrangements can also combine differentiation with integration. Pratt and Foreman (2000) illustrate what this would look like for organizational identity in their discussion of aggregation and Janusian integration approaches to managing multiple identities. Aggregation involves forging links between identities by hierarchically ordering identities or creating “socially integrating myths” (Selznick, 1957) that bridge differences between identity elements without completely merging them. Janusian integration entails joining two identities together into a single “two-faced” identity. Future research can examine how differentiation and integration within, not just across, member and organizational distribution influences the outcomes of organizational hybridity.

Second, we focused our predictive theorizing on outcomes for hybrids with high logic incompatibility and high logic centrality. As our framework for understanding different types of
organizational hybridity makes clear, this is one type of hybridity, albeit an especially important one. We expect that when multiple logics are more compatible, logic integration will be relatively more common than logic differentiation. At the same time these hybrids may be able to blend two logics into one new logic rather than shifting toward the dominance of one logic over the other. Blending of relatively compatible elements may be less likely to create ambivalence and ambiguity when logics are compatible. When hybridity involves one central logic and other peripheral logics, we expect logic differentiation to be relatively more common than logic integration. At the same time, intractable conflict may be relatively less likely to develop in such hybrids because multiple logics are decoupled and just one of them permeates the organizational core. We encourage further theoretical and empirical research to develop these ideas and examine how our propositions apply when incompatibility and/or centrality is low.

CONCLUSION

Early institutional scholars recognized the challenges that arise when organizations incorporate multiple institutional demands. Yet only recently have scholars taken seriously the idea of organizational hybridity as a widespread, enduring, and potentially beneficial organizational characteristic. By reviewing and integrating this emerging stream of research, we offered insight into the different types of hybrids and how their internal dynamics impact outcomes. We hope these ideas help spur future theoretical and empirical research on the nature, dynamics, and outcomes of organizational hybridity.
REFERENCES


Selznick, P. 1949. TVA and the grass roots; a study in the sociology of formal organization. Berkeley,: Univ. of California Press.


FIGURE 1
A Framework of Organizational Hybridity

<table>
<thead>
<tr>
<th>Degree of Logic Centrality</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Both logics are core to organizational functioning</td>
<td>II. Compatible-Central</td>
<td>III. Compatible-Peripheral</td>
</tr>
<tr>
<td>Discovery child care center (Binder, 2007)</td>
<td>Contemporary pharmacies (Goodrick &amp; Reay, 2011)</td>
<td></td>
</tr>
<tr>
<td>I. Incompatible-Central</td>
<td>IV. Incompatible-Peripheral</td>
<td></td>
</tr>
<tr>
<td>Health care organizations (Reay &amp; Hinings, 2009)</td>
<td>CSR in Fortune 500 companies (Weaver, Trevino, &amp; Cochran, 1999)</td>
<td></td>
</tr>
</tbody>
</table>

Low logic is core to organizational functioning, while the logic is peripheral

Low Logics provide reinforcing prescriptions for action

High Logics provide contradictory prescriptions for action

Degree of Logic Incompatibility
### TABLE 1
**Logic Differentiation and Integration within Hybrids**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rationale</th>
<th>Differentiated</th>
<th>Integrated</th>
</tr>
</thead>
</table>
| Member distribution     | Logics carried by organizational members (Fligstein, 1990; D’Aunno et al., 1991; Thornton et al., 2012; Jones, 2001) | Some members carry one logic, other members carry the other logic  
  **Example:**  
  Rape crisis center (Zilber, 2002) | All members carry both logics  
  **Example:**  
  Medical non-profit (Golden-Biddle & Rao, 1997) |
| Organizational distribution | Logics embodied in organizational routines, practices, structures, identities (Haveman & Rao, 1997; Thornton, 2002; Lounsbury, 2007; Jones & Livne-Tarandach, 2008) | Incompatible logics embodied in separate routines, practices, structures, identities  
  **Example:**  
  Medical schools (Dunn & Jones, 2010) | Incompatible logics embodied in combined routines, practices, structures, identities  
  **Example:**  
  Burning Man arts festival, Open Source software development community (Chen & O’Mahony, 2006) |
### TABLE 2
**A Model of the Outcomes of Organizational Hybridity**

<table>
<thead>
<tr>
<th>Internal Dynamics</th>
<th>Mechanisms</th>
<th>Outcome</th>
<th>Example</th>
</tr>
</thead>
</table>
| Differentiated member distribution | Logic conflict occurs between members, who feel threatened, leading to:  
  - In-group favoritism, out-group hostility (Brewer, 1991; Tajfel & Turner 1986)  
  - Mutual disidentification (Fiol et al., 2009)  
  - Battles for jurisdictional control (DeBenigno & Kellogg, 2012)  
  Differentiated org. arrangements reinforce distinctions between members, making it likely that conflict will escalate and become intractable over time | Intractable conflict      | Atlanta Symphony (Glynn, 2000) |
| Differentiated organizational distribution | When sub-groups carry conflicting logics, integrated org. arrangements minimize threat and promote communication between sub-groups, encouraging creative solutions in which both logics are upheld  
  - Superordinate goals and identities (Sherif et al., 1961; Tushman et al., 2010)  
  - Rules and routines (Carlile, 2004)  
  - Boundary organizations (O’Mahony & Bechky, 2008)  
  - Shared spaces and tangible objects (Bechky 2003a, b) | Incompatible logics maintained in productive tension | Justitia (Smets et al., 2012) |
| Integrated member distribution | Logic conflict occurs within members, who experience ambiguity and ambivalence. Attempts to resolve ambiguity by blending logics lead one logic to become dominant, due to:  
  - Absence of unique representatives of each logic (Tripsas & Gavetti, 2000)  
  - Field-level power dynamics (D’Aunno et al., 1991)  
  Integrated org. arrangements reinforce logic dominance by making it difficult for actors to recognize the unique features and distinct value of each logic (Janis 1982; Schweiger et al., 1986) | One logic becomes dominant while the other becomes peripheral | Compartamos (Pach & Santos, 2010) |
| Integrated organizational distribution | When all members carry both logics, differentiated org. arrangements increase members’ awareness of the distinct value of each logic, encouraging creative solutions in which both logics are upheld  
  - Mindfulness (Langer, 1989; Weick et al., 1999)  
  - Ambidexterity (Smith & Tushman, 2005)  
  - Negotiations (McGinn et al., 2003)  
  - Cultural diversity (Ely & Thomas, 2001) | Incompatible logics maintained in productive tension | Digital Divide Data (Smith et al., 2012) |