



MONASH University

Challenging traditional notions of value:

**How Australian companies are navigating
sustainable hybrid value creation**

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Preface

I chose to explore this topic because I was personally driven to understand how companies internalize complex value ideologies and translate those into strategies and practices that can create meaningful and valuable outcomes for employees, investors, customers, the environment, and/or members of the community.

Having come from a background working with and for large corporates, small to medium privately held organizations, governments, and non-profits at the intersection of finance, policy and social/environmental outcomes, I was acutely aware of the practice-driven need to understand these complexities around how to create multiple forms of value that rely on very different types of logic. Whereas there has been decades of work that has driven businesses and individuals to adopt the ‘business case’ to reframe value as a mix of social, environmental and financial value opportunities, it appears that many companies are now left with the next logical question: how to implement this.

Through this research project, I have hoped to be able to deliver theoretical scholarly contributions as well as a ‘road map’ or at least a set of tools and resources for companies who know they want to approach value in a more holistic and dynamic fashion and take into consideration their social, environmental and financial outcomes but are left with questions on how to do this.

Abstract

The purpose of this study is to understand how organizations that wish to create multiple forms of value, e.g. social, environmental and financial, are able to deliver potentially conflicting forms of value. Drawing upon institutional logics and value theories, I explore what is meant by value and frame the possible challenges and tensions that arise in the pursuit of different types of value that draw upon different rationalities and ideologies. This thesis addresses a gap in understanding how hybrid organizations manage multiple logics to create complex forms of value that reflect the disparate ideologies associated with sustainable development goals.

I undertake exploratory qualitative research with a multiple embedded case study design of six Australian hybrid organizations. I engage 49 participants in semi-structured interviews, focus groups and a survey and analyse these results using thematic analysis to identify patterns in the data that are then organized into categories and themes to explain how and why organizations pursue hybrid forms of value. I find that my case studies draw on six organizing concepts to interpret what is meant by hybrid value, which is underpinned by four value components (social, environmental, financial and internal value) and four institutional logics (market, community, social welfare, and intrinsic logic). I also find that the reasons that they define value as a hybrid construct is due to individual values coupled with perceived organizational ‘need,’ as the pursuit of ‘additional’ or bonus value, and/or due to legislative and normative pressures. Additionally, I uncover 200 examples of organizational practices that lead to hybrid value outcomes.

This thesis makes substantial contributions to the hybrid value, hybrid organization, value theories and institutional logics literatures. Specifically I build upon the extant literature by providing examples and evidence of extant hybrid value concepts, examples of how organizations are overcoming the issues raised by value plurality, evidence of why organizations pursue hybrid value, and examples of how organizations manage the tensions that arise due to plural logics. Finally, I make new contributions to the literature by developing a taxonomy and typology of hybrid value, uncovering five new hybrid value concepts and a new type of institutional logic and develop a conceptual model of how institutional logics inform the meaning of hybrid value. My conceptual model holds practical implications demonstrating how organizations can map their value ‘footprints’ and develop practice-to-outcome models.

Declaration

This thesis contains no material which has been accepted for the award of any other degree or diploma at any university or equivalent institution and that, to the best of my knowledge and belief, this thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

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Date: 30 May 2016

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In the course of this five year period, writing my thesis, I have had two years of maternity leave and intermission to have two beautiful babies, Joey and Marco. If you had asked me five years ago whether I would have thought all of this was possible, I would not have even known what I was in for or how to respond. This research kept a separate world and space alive so that I could nurture my intellect and curiosity, while nurturing so many others in my life, for whom I am also incredibly grateful. To all five of my children, Oscar, Silk, Charlie, Joey and Marco (and our dog, Bruce), thank you for keeping me grounded and helping keep everything well in perspective. I am so lucky to have each of you and know that each of you gave me a sense of home so that I could complete this project without (too much) anxiety or trepidation. I love you all (yes, Joey, all the way up to the moon and back).

Along those lines, I have my partner, Peter to thank for...what did you do again? -Kidding. Thank you for supporting me completely in this under-taking. I could not and likely would not have finished if not for you offering to share our domestic duties, watch children, cook dinners, work and support our family financially at a job that makes a meaningful difference and of course your endless hours of distraction and tempered bad jokes. But you also found a way to be there when I needed you, shared your thoughts, supported my instincts, and trusted me implicitly to do what I needed to do. That has allowed me to find my own way through this very tumultuous five year period and come out of it with some humility, resilience, strength, and gratitude for all that I have and that which you have helped create.

During this thesis I also lost my father whose funeral I was unable to attend (babies come at the craziest times). I am so saddened by the fact that of all the people I have known in my life, I think my dad would have been the proudest person seeing me complete a PhD, and he would have felt some ownership over it too, rightly so. I am consoled knowing that I have an amazing mom who has always allowed and encouraged me to be my own person, make my own discoveries, and ask my own questions, all while giving me, my brother and sister and all of our children her unconditional love, open door and support that has allowed each of us to be who we are and thrive. Thank you for your unbounded love and support.

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"I thank you God for most this amazing day, for the leaping greenly spirits of the trees and a blue dream of sky. For everything which is natural which is infinite which is yes."

e.e. cummings

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List of Acronyms

ABC	ABC Learning Centres
ACCSR	Australian Centre for Corporate Social Responsibility
ACSI	Australian Council for Superannuation Investors
ACTU	Australian Council of Trade Unions
ASIX	Australian Social Innovation Exchange
ASX	Australian Stock Exchange
AUD	Australian Dollars
B Corp	B Corporation
BM	Bankmecu*
CEO	Chief Executive Officer
CER	Centre for Education and Research in Environmental Strategies
CERES	Centre for Education and Research in Environmental Strategies
CR	Corporate Responsibility
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CSR	Corporate Social Responsibility
CSV	Creating Shared Value
DEEWR	Department of Education, Employment and Workplace Relations
DJSI	Dow Jones Sustainability Index
ESG	Environmental, Social and Governance
FASES	Finding Australia's Social Enterprise Sector
FTSE4Good	Financial Times Stock Exchange ESG index
GIIN	Global Impact Investment Network
GDP	Gross Domestic Product
GS	Goodstart Early Learning
HR	Human Resources
LOHAS	Lifestyles of Health and Sustainability
NAB	National Australia Bank
PWC	Price Waterhouse Coopers
R&D	Research and Development
RMIT	Royal Melbourne Institute of Technology
SEDIF	Social Enterprise Development and Investment Funds
SEFA	Social Enterprise Finance Australia
SG	Small Giants
SE	Social Enterprise
ST	STREAT social enterprise
SROI	Social Return on Investment
SVA	Social Ventures Australia
TBL	Triple Bottom Line
UN	United Nations
UK	United Kingdom
USA	United States of America
WCED	World Council on Environment and Development

*Bankmecu is used throughout this thesis; however, since the time of data collection and analysis, it has re-branded as Bank Australia

“Although the river bends and turns, when it reaches the bridge, it will go straight.”

--Chinese proverb (Percy Kuo)

Chapter 1 Introduction

"We cast a shadow on something wherever we stand, and it is no good moving from place to place to save things; because the shadow always follows. Choose a place where you won't do harm - yes, choose a place where you won't do very much harm, and stand in it for all you are worth, facing the sunshine."

-E.M. Forster (1908), *Room With a View*

How society defines value reflects what people hold to be meaningful, determines the type of world that we hope to create and shines a light on what it is that we care for. In today's modern era, it is argued that the institutions that dominate our patterns of life are businesses (e.g., Heerema & Giannini, 1991), and as such it is these organizations that hold the dominant influence over societal development. As organizations define what is valuable, they influence and reproduce how society defines its values (Dowling & Pfeffer, 1975) and the corresponding systems that influence the direction and characteristics of how society develops. In recent decades, organizations have demonstrated a notable shift toward the recognition of values reflected by the sustainable development ideology, where social, environmental and economic development goals are seen as interrelated (Brundtland & WCED, 1987). However, the concept of sustainability is embedded with multiple potentially conflicting discourses, outcomes, and ideological positions that are fraught with tensions (Aram, 1989; Le Ber, Bansal, & Branzei, 2010; Meyer & Rowan, 1977; Peredo & McLean, 2006). Organizations that have begun to recognize the interrelationships between social interactions, the health of the natural environment, and financial growth are faced with navigating a complex landscape.

The widespread global dialogue on sustainable development suggests that there is a global vision that recognizes the inter-dependence between the social interactions of people, the natural environment in which society lives, and the economic rationality that guides behaviour in a market system (Brundtland & WCED, 1987). In 1972, the United Nations Conference on the Human Environment brought together world leaders to discuss the

condition and shared vision for a global community of people. Over the following two decades a series of international meetings were held to discuss how the shared global issues that affect people's rights to life, access to safe water, housing and food could be progressed toward coordinated efforts to recognize humanity's inherent connection to nature and to one another. During that time the world experienced a growing global consciousness to embrace sustainable development as an ideology for human progress. In 1992, the United Nations Conference on Environment and Development met in Rio de Janeiro and launched 'Agenda 21' to affirm that each nation had the right to develop according to the principles of sustainable development¹, emphasizing the importance of each of the three pillars to development: social, environmental, and economic. Over the next quarter century, the international community continued the discourse of sustainable development, and in the year 2000, drafted the Millennium Development Goals, which has now led to the development of 17 Sustainable Development Goals (Development) to outline a vision for shared global values and corresponding development priorities (Table 1.1).

Table 1.1 Sustainable Development Goals (*Source: U.N. Sustainable Development, 2015*)

Sustainable Development Goal	Description
1. No Poverty	End poverty in all its forms everywhere
2. Zero Hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3. Good Health and Well-Being	Ensure healthy lives and promote well-being at all ages
4. Quality Education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5. Gender Equality	Achieve gender equality and empower all women and girls
6. Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all
7. Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable and modern energy for all
8. Decent Work and Economic Growth	Promote sustained, inclusive and sustainable economic growth, full of productive employment and decent work for all

¹ Sustainable development is defined according to the Brundtland Report "to meet the needs of the present generation without compromising the ability of future generations to meet their own needs" Brundtland, G. H., & WCED. (1987). *Our common future*. Oxford; New York: Oxford University Press..

9. Industry, Innovation and Infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10. Reduced Inequalities	Reduce inequality within and among countries
11. Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient and sustainable
12. Responsible Consumption and Production	Ensure sustainable consumption and production patterns
13. Climate Action	Take urgent action to combat climate change and its impacts
14. Life Below Water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15. Life on Land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt the reverse land degradation and halt biodiversity loss
16. Peace, Justice and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17. Partnerships for the Goals	Strengthen the means of the global partnership for sustainable development

Each one of the sustainable development goals represents an ideal to address underlying challenges, such as poverty, hunger, lack of access to clean water and sanitation, gender inequality, and climate change (table 1.1). And each one of these sets of ideals and challenges illustrate areas in which organizations can either augment the problems or facilitate solutions.

The link between environmental, social and economic dimensions has provided an ideology that has influenced not only the discourse at the multilateral policy level but also created a rationality that has resonated with many private sector organizations and community groups at more local levels. The pervasiveness of the principles of sustainable development became evident in the movements toward corporate social responsibility (CSR) (Carroll, 1999), corporate sustainability (Dyllick & Hockerts, 2002), and is more recently reflected in the growth of non-traditional business models, such as social and sustainable

enterprises (Lumpkin & Katz, 2011) and hybrid organizations (Haigh & Hoffman, 2012), organizational forms that in various ways reflect the three pillars of sustainable development: social, environmental and economic. However, in an organizational context, the three pillars delimit the ways in which organizations define and pursue value, an area that has been under-theorized and little explored in academic research (e.g. Nicholls, 2009).

While there has been significant attention paid to the rationality or business case of engaging in a more sustainable or socially responsible ways of doing business (Carroll & Shabana, 2010), there has been much less attention paid to understanding how organizations that are moving toward a more holistic interpretation of value, reflective of sustainable development principles, are able to do this. The literature on organizations that define value, drawing upon multiple meanings of value (i.e. social, environmental and financial), is lacking both theoretical and empirical evidence that can help define what this complex form of value is, the various conceptualizations and approaches that organizations take to interpret value in a hybrid context, and the implications for interpreting value in a more complex and plural fashion. For example, while there has been some interest in proposing descriptive value concepts that embody plural or hybridized meanings, such as blended value (Emerson, 2003b), shared value (Porter & Kramer, 2011), and triple bottom line (Elkington, 1997), there is little to no research on the nuances, similarities or distinctions between these types of value concepts. There is scarce evidence explaining how organizations enact these value strategies and whether and how tensions that arise in a plural context are overcome (Jay, 2013; Pache & Santos, 2013). There is also little empirical evidence examining how organizations are translating potentially competing value aspirations (social, environmental and financial) into hybrid value outcomes. Haugh (2012) and Lounsbury and Beckman (2011) note that there is little theoretical insight to help explain what hybrid organizations are, why they are emerging and how they are operating with potentially conflicting logics or paradigms.

This research project contributes to increasing the knowledge and understanding of how organizations that define value as a hybrid of social, environmental and financial value are delivering these potentially divergent and competing outcomes. I draw upon value theories to untangle the multiple meanings of value and engage the institutional logics literature to understand the different systems of meaning that actors within organizations use to guide behaviour and reproduce the institutions through this unifying rationality. I engage these theories particularly in light of the different logics or rationalities that would seem to exist in

defining value in such distinct ways as those represented by the pillars of sustainable development: social, environmental and economic.

1.1. Research Objectives

The aim of this research project is to explore how hybrid value organizations—organizations that define value as a composite of social, environmental and financial value—are delivering what some scholars consider, potentially competing outcomes (see for e.g., Stevens et.al, 2014). To address this aim, the main research objectives are:

- (1) To understand what is meant by hybrid value;
- (2) To understand what drives organizations to pursue hybrid value;
- (3) To identify whether and how organizations are able to achieve hybrid outcomes; and
- (4) To understand whether and how organizations overcome tensions or reconcile logics.

1.2. Theoretical Lenses

I draw upon institutional logics (e.g. Friedland & Alford, 1991) and value theories (e.g. Tetlock, 1986) to frame my research questions and interpret my results.

My research objectives are premised on the idea that hybrid value is inherently fraught with potential value tensions (Le Ber, et al., 2010; Neck, Brush, & Ellen, 2009; Peredo & McLean, 2006; Thornton & Ocasio, 2008). The different types of value that underlie hybrid value may introduce conflict or irreconcilable tensions that force organizations to make trade-offs (e.g. Meyer & Rowan, 1977; Stevens et.al, 2014).

Corporate social responsibility (CSR) and sustainability researchers have spent decades developing and defending the ‘business case’ for businesses to link social and environmental value to financial performance (Drucker, 1984; Freeman, 1984; Lounsbury, 2002). As individuals and collective groups of stakeholders, such as employees, customers, investors, and policy makers transition their expectations and behaviours to reflect more complex ideas of how organizations can and should define and create value, the way in which organizations are defining value has also begun to experience a transition.

For example, Banks (1972) is noted as the first academic to use the term ‘social entrepreneur,’ noting that managerial skills could be applied to social issues. Over decades, and some would argue centuries (Conaty, et.al, 2001), some entrepreneurs and intrapreneurs have adopted this social entrepreneurial strategy of seeking hybridized outcomes to address social and/or environmental issues as well as generate financial surpluses. Today, there is a plethora of terms that encompass these hybridized value ambitions including: shared value; blended value; triple bottom line; sustainability; sustainable development; social innovation; social responsibility; hybrid organizations; social enterprises; social businesses; social entrepreneurship; sustainable entrepreneurship; and eco-preneurship, to name a few. Embodying these ideologies, increasing numbers of organizations are currently seeking hybrid forms of value that reflect social, environmental and financial dimensions (Hoffman, Badiane, & Haigh, 2012; Le Ber, et al., 2010).

However, past research (e.g. Thornton & Ocasio, 2008) provides evidence that suggests that organizations navigating multiple institutional logics, such as hybrid organizations that seek to create multiple forms of value, may struggle to overcome irreconcilable conflicts that arise between potentially conflicting logics. Kraatz & Block (2007, p. 4) describe these possible tensions, noting that “pluralism creates the potential for fragmentation, incoherence, conflict, goal-ambiguity, and organizational instability (Stryker, 2000; Heimer, 1999). In an organization with multiple identities, purposes, and belief systems, no group is likely to be fully satisfied, and political tensions are likely to be endemic.”

According to institutional theorists, hybrid or pluralistic organizations are defined as those that rely on more than one institutional logic, or set of principles and practices that guide actors within organizations to both understand and guide who they are and what they do, reinforcing a cohesive institutional rationality and identity (e.g. Friedland and Alford, 1991; Meyer and Rowan, 1977; Battilana and Dorado, 2012). The literature (s.2.5), suggests that organizations that pursue hybrid value encounter contradictions that arise from engaging with different logics, for example in the pursuit of both profits (market logic) and social outcomes (social welfare logic) (Friedland & Alford, 1991; Pache & Santos, 2013), thus creating a hybrid mix of financial and social value. The institutional logics literature introduces questions as to whether hybrid organizations are able to sustain the “areas of contradiction” (Pache & Santos, 2013) that arise in a hybrid context.

Institutional logics provides a lens from which to understand my four research objectives (s.1.1). Specifically, this theoretical perspective provides an analytical tool from which to understand the different interpretations of value, given the different rationalities that guide institutional action and behaviour, stemming from the way in which value is defined and created.

In order to further explore some of the nuances and characteristics that underlie hybrid value and tease out some of the possible contradictions or tensions that may arise in a hybrid context, I engaged the value theories literature (Naess, 1973; S. H. Schwartz, 1994; Trainor, 2006) (s.2.4) to understand the different disciplinary ideologies relating to social value, environmental value, and financial value. This is particularly relevant in addressing my first research objective, to understand what is meant by hybrid value (s.1.1), to unpack the meaning of hybrid value. For example, whereas social value is determined based on individual or collective beliefs about what is meaningful or important, financial value relates to discrete quantifiable measures of worth or benefit derived from goods and services, and environmental value is derived from measures of ecological health and resilience (s.2.4).

The theory of plural value (Anderson, 1993; Tetlock, 1986) is used to gain further insights into the challenges and issues related to defining value in a plural context or as a mix of different types of value, creating context and providing meaning for my fourth research objective, to understand whether and how organizations overcome or reconcile tensions (s.1.1), by defining the possible tensions that may arise. For example, Trainor (2006, p.6) notes “value conflicts exist when a resource, natural area, or element of non-human nature is simultaneously valued in multiple ways, the consideration of which implies mutually exclusive action or policy.” This literature highlights that some of the specific challenges that can emerge from a plural or hybrid value context include: issues relating to cognitive dissonance, incommensurability, value relations or interactions between types of value, and aggregation issues (s.2.5.2).

1.3. Research Design

In order to answer my research questions, I engaged in exploratory qualitative research with a multiple embedded case study design, with units of analysis at the individual, group, organizational and cross-case levels (Yin, 2003).

Drawing on an abductive interpretivist approach (s.3.1), I engaged in a cyclical process of collecting data, analysing data and engaging with the literature to ground my emerging theory in the everyday accounts and activities of my research participants (Blaikie, 1993). I selected six Australian case studies that were identified as aspiring to create hybrid value by triangulating 72 independent sources. These cases were identified by these sources as exemplary hybrid value organizations. I conducted 16 interviews, hosted 7 focus groups comprised of 39 participants, and obtained 31 survey responses across a total of 49 participants. These participants were predominantly senior employees and directors that were familiar with their organization's implementation strategies relating to hybrid value. In some cases, participants also included industry partners and employees in departments outside of senior management positions in order to capture a broader range of perceptions and views.

The data were imported to Nvivo software and coded using thematic analysis methods (Braun & Clarke, 2006) to identify patterns of meaning. This involved transcribing data, reviewing data, assigning codes, taking notes and memos to reflect on data analysis, deriving categories and searching for themes. I performed within-case analysis to understand the in-depth details related to each case before conducting cross-case analysis to identify generalized patterns that led to my findings and analysis (Chapter 5-7) and the theoretical development of my conceptual model to integrate the findings (Chapter 8).

1.4. Contributions

This thesis makes at least five significant contributions. First, I discover five new types of hybrid value, offering new theoretical concepts to the corporate sustainability and CSR management literature. Second, I offer new organizing concepts, describing the nuances between distinct types of hybrid value for the hybrid organization and hybrid value literature, making a theoretical contribution by way of classificatory systems and taxonomies. Third, I make a contribution to the institutional logics literature by providing empirical evidence of whether and how some organizations are able to embrace plural logics through selective decoupling (Pache & Santos, 2013) and combining logics (Battilana & Dorado, 2010). Fourth, my findings provide empirical evidence that confirms, as well as augments, previous theoretical perspectives and empirical findings, for example by providing empirical evidence to support the extant literature on organizational drivers of hybrid value. However, my

findings and analysis also refute existing positions in the literature - for example, the entrenched institutional theorist position that plural tensions are irreconcilable (Meyer & Rowan, 1977) - by contributing to an emergent growing body of evidence that supports how plural institutions, in some instances, are navigating and sustaining multiple logics. Finally, this thesis makes a substantial theoretical contribution in the development of a conceptual framework that draws on institutional logics to interpret the different meanings of hybrid value and provides a practical tool for managers to map their hybrid value ‘footprint’ and link their hybrid value implementation strategies to hybrid value outcomes.

1.5. Thesis Structure

This thesis is organized into 10 chapters. Following this introductory chapter, I review the literature to provide background and framing to hybrid value and hybrid organizations, delve into the meaning of value, explore plural value tensions, and explore the organizational design principles that demonstrate how organizations may be overcoming the value tensions that arise in a hybrid context (chapter 2).

I outline my research design in Chapter 3, to present and defend my choice of methodology, discuss the methods (techniques, tools and protocols) used in data selection, collection and analysis, and address issues related to research quality and validity.

In chapter 4, I provide background information on each case study organization and present an overview of how each case interprets or understands the meaning of value.

I present my findings and analysis across chapters 5-7 to illustrate what organizations mean by hybrid value (research objective 1), reveal the drivers that participants described to explain why organizations define value in a hybrid context (research objective 2), and to explain how the organizations are implementing organizational practices that lead to hybrid value outcomes (research objective 3). I address the fourth research objective (s.1.1) across each of these findings and analysis chapters.

In chapter 8, I integrate my findings and analysis to develop and present my conceptual model on how institutional logics influence the meaning of value. I demonstrate how this model can be used to map ‘value footprints’ for my case studies, based on participant data.

In chapter 9, I present managerial implications, highlighting some of the tools that emerged from this research project that managers may find useful. I also build upon my conceptual model from chapter 8 to illustrate how managers could link organizational practices or their implementation strategies to the hybrid value outcomes that result from these practices. I also present a subjective assessment tool that was piloted in the survey to demonstrate how managers may engage stakeholders and assess how their stakeholder perceptions align with (or not) organizational value creation strategies.

Finally, in chapter 10, I conclude this thesis by summarizing my findings, highlighting contributions and implications of this research, discussing research limitations, and proposing future research.

Chapter 2 Literature Review

2.1. Introduction

This research study draws upon institutional logics and value theories to explore the topic of how organizations create hybrid value. The institutional logics literature suggests that organizations with multiple logics, so-called ‘plural institutions’ will struggle with competing and conflicting logics (Thornton & Ocasio, 1999) (s.2.5). Further, value theory, in particular, the theory of plural value (Tetlock, 1986) illustrates that by introducing plural value sets, issues of cognitive dissonance, incommensurability, relationships between values, and aggregation of value sets across time and level can become problematic (s.2.5).

In order to understand how organizations are creating hybrid value, I also draw on a number of related bodies of literature (see s.2.2). In this chapter, I map the literature on hybrid value (s.2.2.), providing background and context, and locate the conversations that explore the idea of hybrid value (s.2.3). I then delve deeply into the meaning of hybrid value (s.2.4), drawing on value theories to unpack what is meant by value and engage the management literature to understand current value concepts. I continue by exploring institutional logics as a lens (s.2.5) to understand whether and how organizations with potentially competing goals, aspirations, and logics are able to reconcile (or not) these differences. I build on institutional logics by engaging the theory of plural values (s.2.5) that illustrates why plural value sets are challenging and identify specific issues that plural institutions may need to overcome in order to reconcile these logics. I then engage with how the corporate social responsibility (CSR) and sustainability literature interacts with organizational behaviour, firm-level dynamics and organizational design to explore whether and how the literature has described how organizations may be overcoming these tensions by demonstrating the activities and practices that lead to hybrid value (s.2.6). Finally, I derive my research questions that have emerged from the literature review (s.2.7).

2.2. Mapping the Literature on Hybrid Value

In this section, I locate the topic of my research aim, hybrid value, in the literature to clarify where my research objectives originate and to which bodies of literature I will be

making a contribution (s.1.1). Figure 2.1 illustrates that the literature on hybrid value is located within the literature on CSR and sustainability, which is a sub-set of the literature on management studies. Figure 2.1 is a simplistic model that ignores the complexities of the multiple fields of study and nuanced relationships between these fields and my research topic of interest. However, for the sake of clarity and simplicity, figure 2.1 provides a diagram of the simplified relationship to locate the topic of hybrid value within the CSR and sustainability stream of management studies, and the relationship to both value theories and institutional logics (s.2.5), which I draw upon to both frame and answer my research objectives.

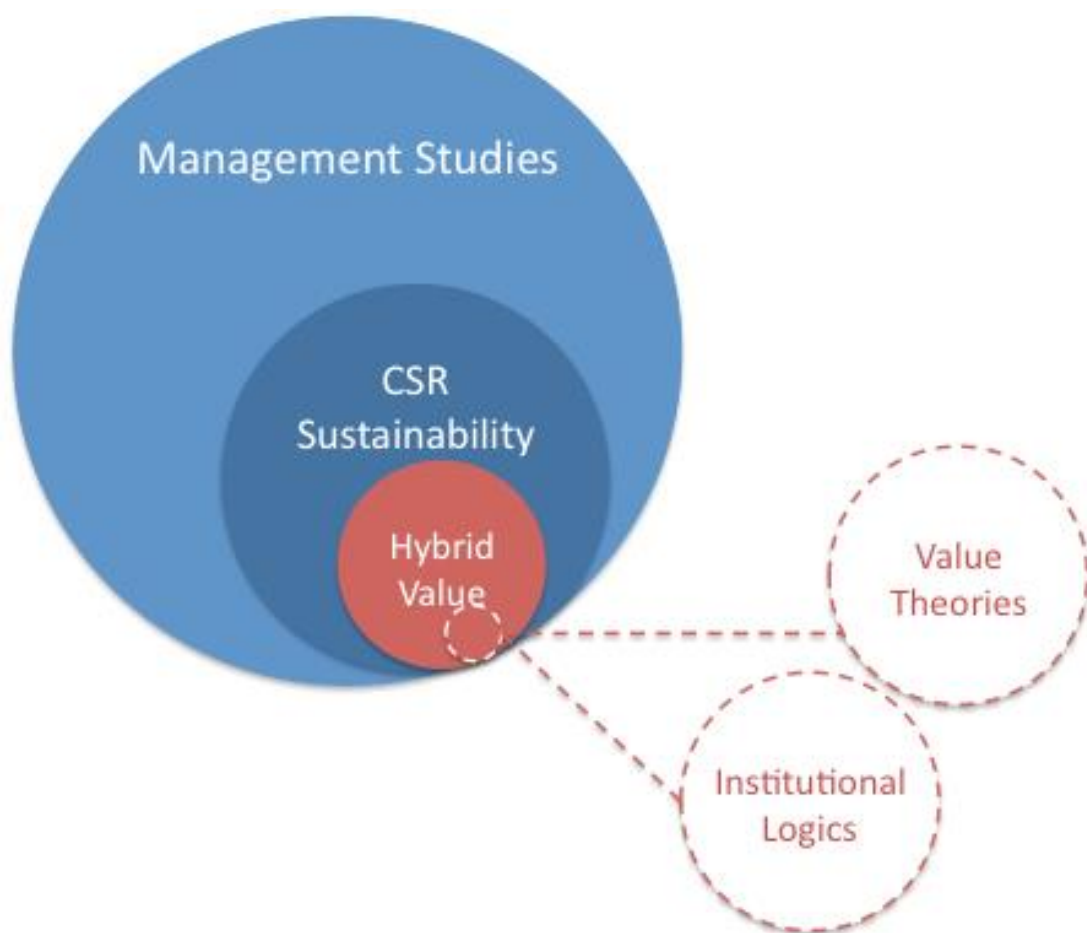


Figure 2.1 Locating hybrid value in the literature

To begin with, hybrid value—which I define broadly as a set of beliefs about the importance, meaning or worth of underlying types of value, such as social, environmental and financial dimensions (Elkington, 1997; Emerson, 2003b; Hart, Mark, & Joseph, 2003)—is a relatively nascent area of research (Hart, et al., 2003; Nicholls, 2009). Scholarship on this topic is located predominantly in the CSR and sustainability streams of the management

literature, where the goals of business include hybridized aspirations of financial, social and environmental performance outcomes. That being said, the topic of value, when defined as having multiple types of outcomes or dimensions, is related to and derives meaning from multiple disciplines and research areas both within and outside of management studies, which I will explore in s.2.4.

Literature Map

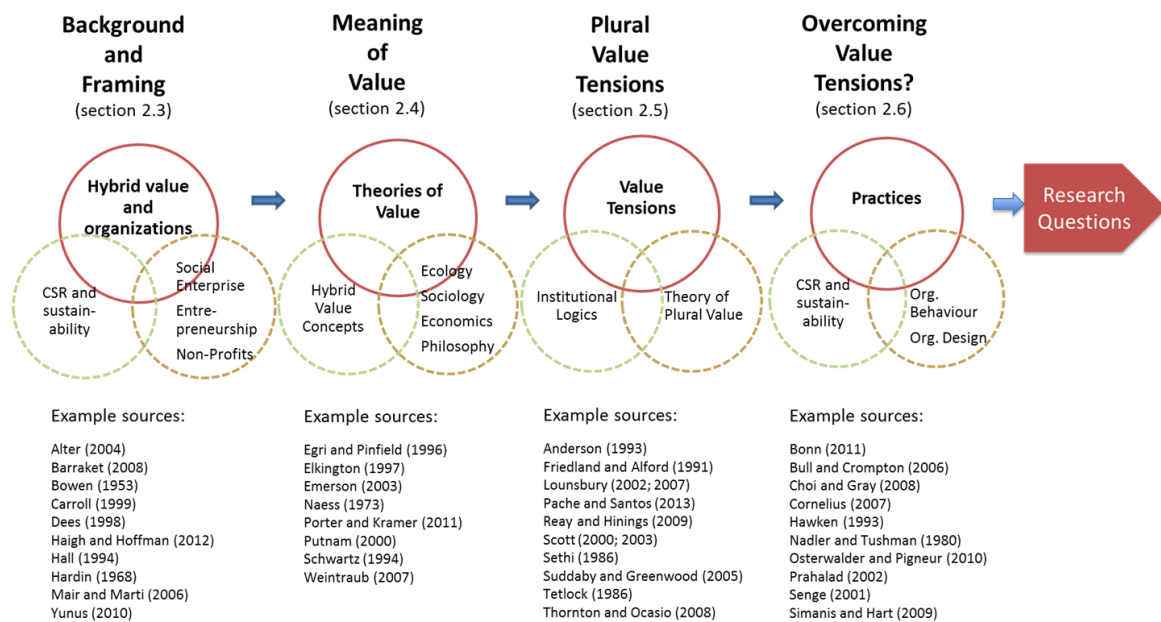


Figure 2.2 Literature Map

Figure 2.2 details how I engage with the literature. I begin by exploring what is known about hybrid value, particularly focusing on the background and framing of the topic (s.2.3). Because I am interested in how organizations are broadening their definitions of value and incorporating principles that align with sustainable development (ch.1), I have chosen to focus my literature review in the CSR and sustainability literature, including research areas on hybrid organizations, defined as organizations “that demonstrate mutually enriching connections between business, and the communities and natural environments supporting them” (Haigh & Hoffman, 2012, p. 127). For example, I engage the literature on entrepreneurship, particularly social and eco-entrepreneurship and intrapreneurship, and philanthropy and non-profits, namely social enterprises and enterprising non-profit models.

I then delve deeper into the meaning of hybrid value, opening up the value theories literature (section 2.4). After reviewing the CSR, sustainability and hybrid organization literatures, I find that the most commonly cited dimensions to hybrid value include: economic or financial; social; and environmental outcomes. As a result, I refer to the economics, sociology, and ecology literatures to distil each discipline's definition of value. I also briefly explore the value theories of psychology and philosophy, which introduces the concept of value pluralism, holding multiple values simultaneously. I then revisit the management literature with focus on the CSR and sustainability literature to look for explicit plural or hybrid value concepts and compared these to what I had uncovered by exploring theories of value.

After reviewing the different perspectives on value, it seems clear that there are potential conflicts or tensions in trying to hold these multiple values simultaneously. I look to the institutional logics literature (s.2.5), which discusses how various logics or belief systems (i.e. value sets) guide what is meaningful and valuable and catalyse corresponding action and behaviour. This literature raises the question of whether organizations that claim to pursue multiple or plural logics, for example by pursuing market logic (with an emphasis on maximizing economic value, e.g. profits) and social welfare logic (pursuing social value outcomes), reconcile or contest the competing and sometimes opposing ideas. To more fully develop an understanding of the challenges in reconciling multiple values or logics, I refer back to the value theories literature and find the theory of plural value (s.2.5), which describes the specific challenges of holding multiple values.

My final phase of engagement with the literature seeks to explore whether and how the literature is making sense of these value tensions (s.2.6). I explore the CSR and sustainability literature that engages with organizational behaviour (Hersey & Blanchard, 1993) and organizational design (Nadler & Tushman, 1980) to see whether this literature provides insight into how the activities and behaviours of organizations that strive for sustainability are able to overcome (or not) the tensions within organizational practices and behaviours.

Following these three stages of engagement with the literature, I was able to clarify and distil my research objectives (s.1.1; s.2.7).

2.3. Background and Framing

In this section, I review the CSR and sustainability literatures as they relate to hybrid value and offer some clarifying definitions to set the background and context to exploring my topic of interest, hybrid value. This section explains: why hybrid value is relevant and to whom it may be relevant.

2.3.1 What is hybrid value?

Value is defined by the Oxford dictionary as: “the regard that something is held to deserve; the importance, worth, or usefulness of something; the material or monetary worth of something; the worth of something compared to the price paid or asked for it; or principles or standards of behaviour; one’s judgement of what is important in life” (Value, 2015).

The word ‘hybrid’ was derived from the emerging field of study on hybrid organizations, an area of research on organizations that are straddling the divide between for-profit companies and not-for-profit companies, seeking ‘hybrid’ outcomes or ‘hybrid value’ in the form of social, environmental and/or financial outcomes (Boyd, Henning, Reyna, Wang, & Welch, 2009).

While I found no explicit use of the term ‘hybrid value’ in the management literature, I have chosen this phraseology to reflect the value orientations of so-called hybrid organizations (s.2.4) that aspire to co-generate social, environmental and/or financial value (Elkington, 1997; Emerson, 2003b; Porter & Kramer, 2011). In s.2.4, I will explore in detail the meanings and origins of hybrid value; however, as a starting point to this chapter, I will define hybrid value simply as a mix of social, environmental and/or financial value.

2.3.2 Where does the concept of hybrid value come from?

There is a substantial body of both practitioner and scholarly knowledge integrating environment, society, and business to create pathways toward more sustainable models. Hybrid value can be seen as the goal or outcome of these types of businesses that aspire to generate different types of value across social, environmental and financial dimensions. This

notion of seeking hybridized outcomes for environment, society and business is an ideal replicated across many fields within CSR and sustainability (Carroll, 1999; Dyllick & Hockerts, 2002). For example, the distinctions between sustainable development, sustainability, corporate sustainability, and corporate social responsibility are often blurred, as each field attempts to integrate social, environmental and economic value into the respective paradigms.

Sustainable Development is seen as a societal project involving many actors (D'Amato & Roome, 2009) in pursuit of “development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland & WCED, 1987, p. 43). These questions of whether society was progressing or developing sustainably have involved the questions posed by Meadows (1972) on whether the planet had defined “limits to growth” and how humanity could cope with these limits. The counter argument to the theory of limits to growth with finite resources is embedded in the neoclassical economic position that humanity is capable of substituting exhaustible resources with technological innovations, allowing modern economics to utilize principles such as future discounting, which inherently goes against the rationale of sustainability and the ability of future generations to meet their own needs (Bossel, 1996). The movement of sustainable development continued to pick up momentum with world forums, such as the 1992 Rio Earth Summit, where the UN Conference for Environment and Development launched “Agenda 21”, a broad set of actions to propose a new corporate rationale for more efficient use of natural resources (Robinson, Hassan & UNCED, 1992) and the 2002 World Summit on Sustainable Development in Johannesburg, where the “Plan of Implementation” linked corporate actions to sustainable development, creating global support for corporate social responsibility (CSR).

Corporate social responsibility (CSR) or corporate responsibility is seen to have emerged from various origins and concepts, including Bowen’s (1953) position that businesses have an obligation to society that exceeds profit and the law. Social movements of the 1960s and 1970s pushed the agendas of non-traditional stakeholders in corporate affairs, and Freeman (1984) put forward that a broader group of stakeholders, beyond shareholders, were both the responsibility and liability of companies. The acknowledgement of non-traditional stakeholders by corporations began to shape modern forms of CSR, introducing concepts of human relations, dialogue structures, and diverse stakeholder interests that include social,

environmental, and economic issues, the same principles of sustainable development (Kleine & von Hauff, 2009). This has often merged the terminology of corporate social responsibility with sustainability or corporate sustainability, which is defined as “meeting the needs of the direct and indirect stakeholders without compromising the ability to meet the needs of future stakeholders as well. Towards this goal, firms have to maintain and grow their economic, social and environmental capital base while actively contributing to sustainability in the political domain” (Dyllick & Hockerts, 2002, pp. 131-132).

Over the past three decades, the concept of sustainability has gone from a marginal environmental movement to a mainstream business framework (De Bakker, Groenewegen, & Den Hond, 2005; Dyllick & Hockerts, 2002). As seen in the progression of global forums on sustainable development and the corresponding role of corporations, it is clear that there is an increasing political will to address some of the current global social and environmental challenges, such as disparities in energy supply and demand, water resource shortages, climate change, and public health issues, and their linkages to social and economic value. And while the public sector and policy makers are bringing some of these issues into mainstream consciousness, there is a clear and continuing legacy of the private sector leading these discussions and individuals as well as corporations who have long recognized and communicated their stake in sustainable development (Stiglitz, 1998). The private sector has innovated cleaner technologies, academics have created new frameworks and integrative models, and advocacy groups, foundations, institutional investors, and many others have formed collaborative networks, catalogues of new valuation techniques, and principles of sustainable development (Bossel, 1996; Graafland et.al, 2007; Hart, 1997; Robinson, 2007).

One of the movements to incorporate non-traditional metrics into corporate activities is seen in the literature of Environmental, Social, and Governance research, (ESG). Extra-financial metrics are now seen as contributing up to 40% of investment decision-making criteria, as reliance on only financial measures diminishes (Boerner, 2008). However, while many practitioners in the field have moved beyond proving the business case for sustainability and have developed the will to ascribe value to extra-financial measures, such as air emissions, water quality, natural resources, biological diversity, human health, job creation, and trust, there appear to be substantial challenges and a lack of consistent methodologies for prioritizing, measuring, and integrating these measures (Hutchinson, 1996; Jasch, 2003; Schwartz & Carroll, 2008).

These attempts to drive the evolution or innovation of businesses that blend social, environmental and financial return objectives, is leading to the emergence of hybrid business activities and new models, or so-called ‘hybrid organizations,’ which are described as organizations that “blur the boundary between for-profit and non-profit worlds” (Haigh & Hoffman, 2012, p. 126).

2.3.3 The context for emerging hybrid organizations

While not universally or historically true for all businesses, the ideals of modern businesses have often been reflected in the dichotomy of today’s incorporated structures: for-profit vs. not-for-profit (Mair & Martí, 2006; Emerson, 2003; Dees & Anderson, 2006).

Evidence from the history on corporations strongly suggests that the industrial revolution (1750-1850), in which rapid mechanization and technological advancements transformed global economic and social dynamics, can provide a significant explanation for the transformation of societies from those characterized by small production and self-sustenance to the emergence of new institutions with centralized large-scale manufacturing and production capabilities, which in turn may help explain the divisions between the corporate goals of profit maximization (for-profit) and social welfare obligations (not-for-profit).

One possible indication of this shift can be seen in neo-classical economics, when the theory of the firm emerged in the early 20th century. The ‘theory of the firm’ comprises multiple competing theories that attempt to explain and predict the structures and behaviors of firms (Berle & Means, 1933; Grant, 1996). This new emphasis on the organization or firm level was driven, in part, by significant growth of organizations. For example, from 1820 to 1950, the US population went from a 20% dependence on wage income (as opposed to self-employment) to a 90% dependence on wage income (Perrow, 1991). As the corporate sector grew, the shareholder model took hold, creating a separation of ownership and control, as managers often owned significantly less than shareholders. Subsequently, the interests of shareholders and managers (who own significantly disparate levels of equity) diverged, dividing ownership and the power associated with it, ultimately changing the nature of the profit-seeking enterprise. Other views of the separation of ownership and control, again calling into question the motives of various stakeholders, saw the separation between capitalists (maximize profit) and engineers (fuel technological progress and growth)

(Demsetz, 1983). Many of these debates in the theory of the firm attempt to explain and/or reconcile these disparities, such as ownership and control; however, these debates take place squarely within the realm of neo-classical economic theory, which examines the rationality of an individual to maximize utility or profit. This is iterated in the hybrid organization literature where there is a wide-spread critique of this dominant model where “one unquestioned assumption above all others permeates the norms of business; the notion that the primary objective of business is to increase profit for shareholders” (Haigh & Hoffman, 2012, p. 130).

From the non-profit literature, the divisions between non-profit and for-profit are also relatively modern notions (Hall, Daneke, & Lenox, 2010). In the United States, over 90% of today's non-profits were created after 1950 (Hall et al., 2010). While concepts such as philanthropy, volunteerism, the corporation and trusts, have a much longer history than today's legal notion of non-profit companies, prior to the 1970's many of today's non-profits were run as profit-oriented corporations set up to serve a religious or social purpose. Organizations blended elements of volunteerism with legal mandates for public service, income-generating activities with philanthropic and public financing support, and a social mission with an economic profit orientation. The modern social purpose not-for-profit organization is seen to have emerged due to: (1) social need created by the growth of government and their inability to address public issues; (2) new legal structures providing tax relief for wealthy philanthropists; and (3) advocacy arms set up by private interest groups, such as defence and extractive industries (Hall, et al., 2010). The modern notion of ‘non-profit,’ an organization dedicated to fulfil a social mission in the absence of focus on generating self-sustaining profits, is a relatively modern invention that has quickly become the predominant model for carrying out social-purpose work (Hall, et al., 2010).

Similarly from the value theory literature, there is scholarly recognition that early economists were well versed in ethical traditions and created early works in economics guided by a search for a higher life purpose and moral philosophy, thus bridging plural value systems or at least informing the development of one system of value (Stiglitz, 1998) with other value (ethics) considerations (Norgaard, Scholz, & Trainor, 2001). For example, Adam Smith's “Theory of Moral Sentiments” (1759) was published two decades prior to his infamous “Wealth of Nations” (1776), and many of the classical economists struggled with ethical issues, such as distribution and class dynamics (Dobb, 1975). Although early economists integrated various ethical philosophies, “by the late nineteenth century...these

other moral bases for economics were being marginalized (pun intended) as a trend towards mathematical analysis aimed to develop scientific credibility and fit with the general spirit of the Enlightenment, and its successor, modernity” (Norgaard, et al., 2001, p. 155). With the rise of neoclassical economics, the trend toward economic utilitarianism allowed less and less for value pluralism (the acknowledgement that multiple values can co-exist, s.2.5), where the dominance of economic reasoning began to over-shadow other forms of valuing, such as social, cultural and moral values (Norgaard, et al., 2001).

These views demonstrate that the separation of profit maximization from social and environmental outcomes is a relatively modern phenomenon. According to Conaty et.al. (2001) the original purpose of business was to address unmet societal needs, thus connecting businesses inherently to their communities and societies. For example, the pre-industrial business was granted a ‘social contract,’ where society allowed business to operate in exchange for companies creating value for society or addressing an unmet need. Cooperatives and mutuals provide other examples of business models with hybrid purposes, describing member or community-owned institutions that were designed to meet member or community needs.

In light of these examples, hybrid organizations and the concept of hybrid value is not an innovative or novel idea, despite being a new term. Sen (2007, p. 535) summarizes this view, stating “the language of social entrepreneurship [and by proxy hybrid value] may be new, but the phenomenon is not.” Figure 2.3 synthesizes the literature on hybrid organizations to develop a timeline of how businesses have integrated hybrid outcomes into their missions and models over centuries. The literature points to early examples of hybrid value organizations, such as cooperatives, mutuals, and the pre-industrial business as types of businesses that sought to fulfil social needs as well as economic aspirations. From the mid-late twentieth century, principles of fair trade, affirmative action, and community development inspired a new generation of social enterprises and hybrid organizations. By the 1990’s capitalist ideals and social outcomes were blended as wealthy philanthropists sought new opportunities investing in social entrepreneurs, and non-profits were making the transition from reliance upon external donations and grants to more financially autonomous models (Moody, 2007). From the turn of the century, an introduction of new principles, strategies and legal structures began to influence the birth of different types of hybrid organizations, explicitly attempting to pursue both social/environmental outcomes in tandem with financially robust engines that

could achieve financial self-sufficiency and financial profits. Some of these types of businesses are described in section 2.3.3.1.

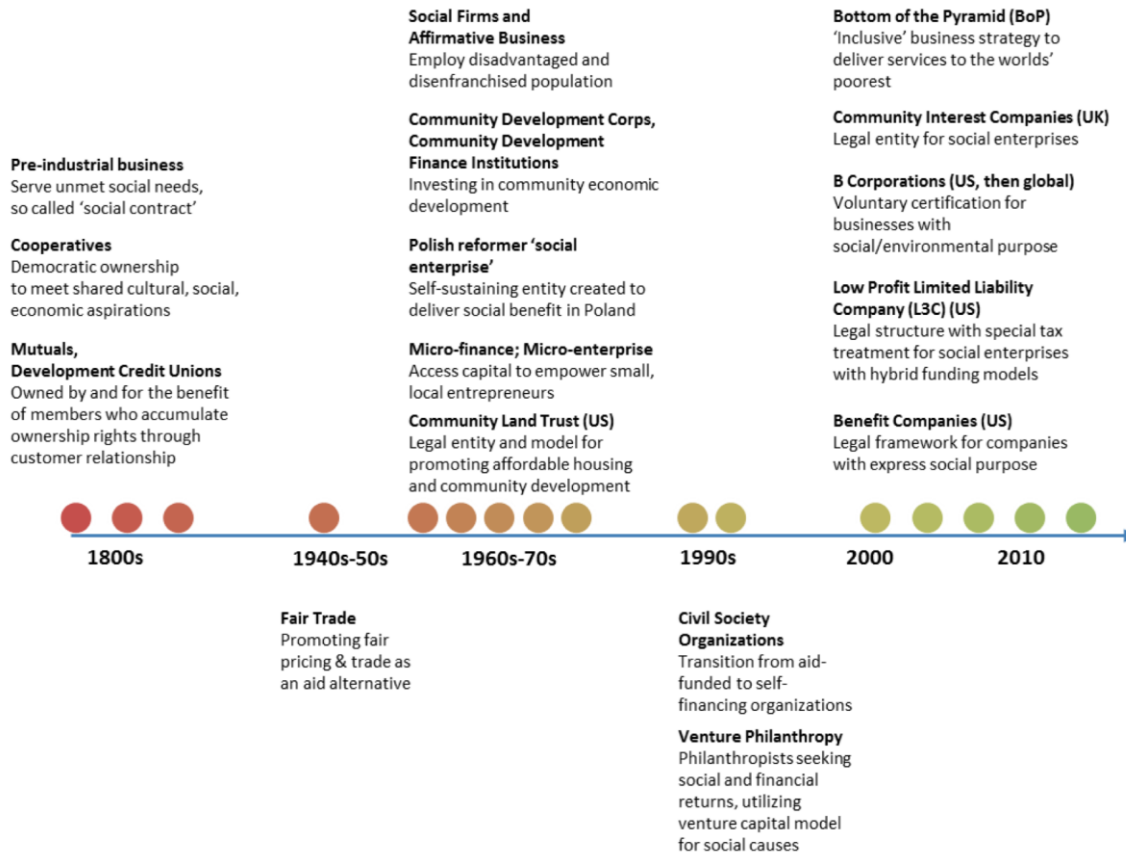


Figure 2.3 Timeline of organizations blending social/environmental and financial purpose
(compiled from: Conaty, 2001; Emerson, 2003; Alter, 2004; Stubbs, 2008; Simanis & Hart, 2009; Trexler 2008; Waddock, 2010)

New organizational hybrid forms are now seen to be emerging in response to an increasing scale of growing societal issues. Social need is seen to have arisen from market or institutional failures (e.g. Mair & Marti, 2006; Zahra et.al, 2008; Yunus, 2010). Issues of scale affect current institutions that are not equipped to address challenges of a shared nature, often cited as the tragedy of the commons (Hardin, 1968). For example, climate change has no coordinating body or governing institution that can own the problem and coordinate efforts toward a solution. Furthermore, it is argued that climate change is the result of rapid economic development, and that the externalities of environmental degradation and pollution have been a by-product of the pursuit of economic growth, a classic example of the tragedy

of the commons, which cites the privatization of profits and externalization of costs as a destructive force for collective resources. The pace of development has also contributed to the inability of institutions to keep up with rapid population growth, which saw the world population nearly double from 3.6 billion in 1970 to 7 billion in 2011 (World Bank, 2013). In the social enterprise and non-profit literature, government failure to meet social needs or voluntary choice to outsource social needs, such as affordable housing, employment for the marginalized, education services, have led to an institutional void and unmet social need that has long been filled by the social sector (Salamon, 1987). Despite the shift of some companies toward creating shared value or pursuing social responsibility, many companies remain in a paradigm where social need falls outside of the aims of firm performance (Carroll, 1999; Freeman, 1984; Porter & Kramer, 2011). The prevalence of unmet social needs such as poverty, disease, education, hunger, access to safe drinking water, and environmental degradation has fuelled the emergence of a new class of entrepreneurs who adopt these social challenges as a core mission to transform society and improve human development (Elkington & Hartigan, 2008; Leadbeater, 1997).

Another driver of organizational hybrids comes from the dominance of corporations in our modern day lives; as such, there is increasing public participation, awareness and scrutiny placed on corporate life and corporate models (Paine, 2003). “Liberalization, privatization, globalization, advances in knowledge and technology—all of these have simultaneously heightened the corporation’s importance and given rise to new expectations for its performance” (Heerema & Giannini, 1991, p. 87). This may help to explain why a new demographic, often termed the ‘Cultural Creative’ (Ray & Anderson, 2000), is striving to integrate individual values placed on healthy living, environmental and social justice, and ecological sustainability into their consumer habits, investment choices and workplace cultures. “These individuals derive a sense of self-actualization through their actions, which enable them to feel genuine and authentic, and help them resolve conflicted value systems in their lives” (Haigh & Hoffman, 2012, p. 126).

These types of drivers have led to emerging new types of businesses, often termed hybrid organizations for their hybrid mission to generate both financial and social/environmental value, and attempts to blend social/environmental and financial outcomes into their core purpose, business models and strategies. The hybrid organization literature is new and emerging and comprises literature across many fields, such as social enterprise, social

entrepreneurship, social business and others (Boyd, et al., 2009; Hoffman, et al., 2012). According to Haigh and Hoffman (2012, p. 127), “hybrids dismiss old notions of trade-offs among economic, environmental and social systems. These organizations are positive deviants that demonstrate generative and mutually enriching connections between business, and the communities and natural environments supporting them.”

2.3.3.1 Types of hybrid organizations

Haigh and Hoffman (2012) note that hybrid organizations challenge traditional business and economic norms by redefining economic goals from limitless profit seeking for profit's sake to defining financial profit as a goal tempered by social and environmental value creation and autonomy. Unlike commercial businesses, hybrid organizations are not dominated by the sole objective of generating financial profits, nor are they willing to forgo financial autonomy in pursuit of social and environmental mission. These key elements redefine value from a singular pursuit to a more plural or hybrid concept.

The emerging hybrid business models that aspire to generate more than one type of social, environmental and economic value appear to have evolved from two distinct spheres of the economy: the voluntary, charitable, not-for-profit or unpaid “third sector” of the economy, and the for-profit commercial private sector of the economy (e.g. Alter, 2004).

Alter (2004) developed a social enterprise typology, to capture the convergence of for-profit and charitable organizations moving toward blending social and financial objectives. Overlaying Alter's (2004) model with other sources from the hybrid organization literature (e.g., Dixon & Clifford, 2007; Grayson, 2010; Mulgan, Tucker, & Ali, 2010b; Nicholls, 2006; Porter & Kramer, 2011; Yunus, 2010) led to figure 2.5 that draws on Alter's dichotomous framework and includes an expanded set of terminology, including: social enterprise, social business, social entrepreneur, ecopreneur, social intrapreneur, shared value, social innovation, and CSR. Not all of these models may reflect the specific characteristics of hybrid organizations, as defined by Haigh and Hoffman (2012). However, as a nascent field of study, I include all of these forms to indicate the diversity of approaches to organizational forms that are moving to hybridize the meaning of value, thus transforming not only their outcomes but also the ways in which they achieve these outcomes.

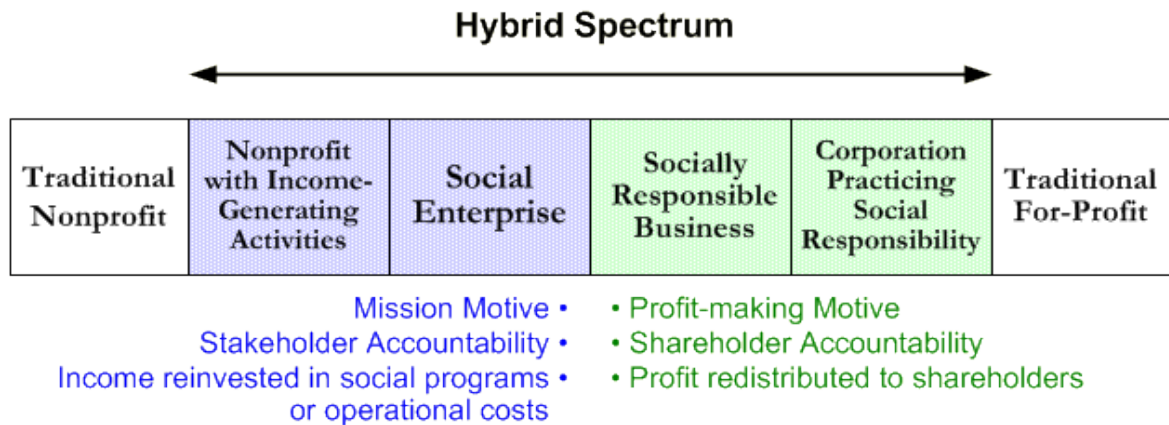


Figure 2.4 Hybrid spectrum (Alter, 2004, p.8)

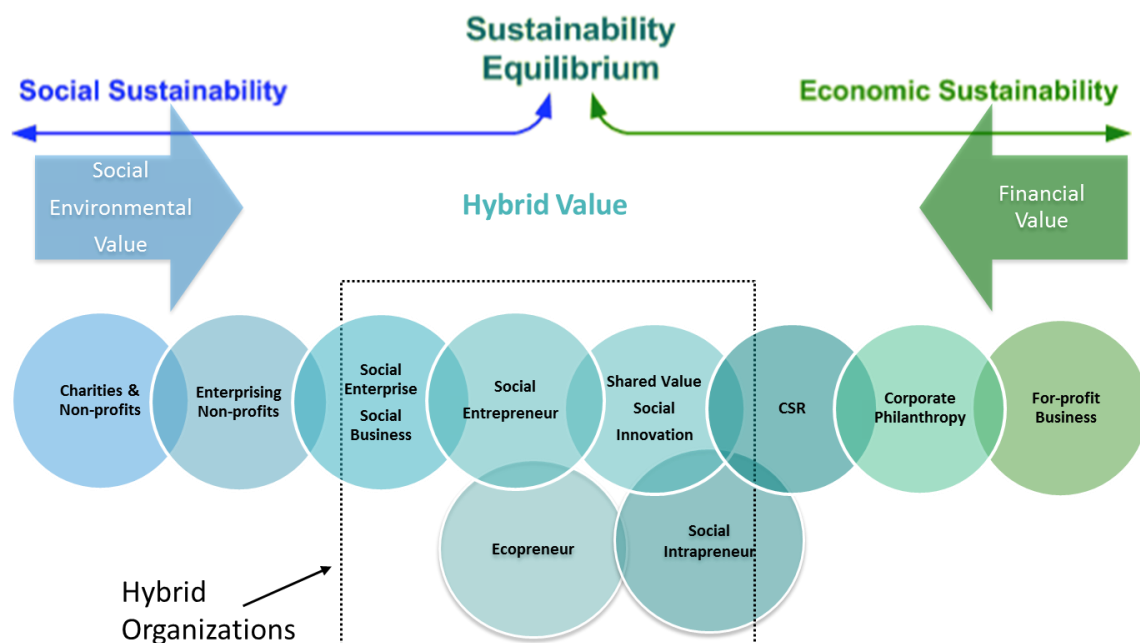


Figure 2.5 A typology of hybrid organizations from the literature (*adapted from Alter, 2004*)

Social Enterprise

Research on social enterprises, businesses that attempt to integrate social and financial return objectives, is an emerging topic in the academic literature (Haugh, 2012). The practitioner and academic literature commonly cites a lack of consensus in definition, leading to confusion for sector development (Bartlett, 2004). However, social enterprise is most often seen as originating from non-profit organizations moving toward more enterprising strategies

due to environmental pressures and competitive dynamics (Barraket, 2010; James & Rose-Ackerman, 1986; Weerawardena, McDonald, & Sullivan Mort, 2010).

Barraket (2010, p. 7) defines social enterprises as “organizations that exist for a public or community benefit and trade to fulfil their mission.” She goes on to describe the strategies or mechanisms used by social enterprises, stating “although social enterprises are diverse in their structures, purpose and business activities, they are variously engaged in: creating or replacing needed services in response to government and market failures; creating opportunities for people to participate in their communities; modelling alternative business structures through democratic ownership; and generating new approaches in areas of contemporary need, such as alternative energy production and waste minimisation.” (Barraket, 2010, p. 7)

Social Business

Social business is another incarnation of an organization that strives to create both social and financial value. Yunus (2010) proposed the concept of social business as a way for business to address pressing social needs. However, a social business is seen to be distinct from non-profits as they are oriented to create self-sustaining profits (Yunus, 2010). The distinction between social enterprise and social business is that social enterprise can co-mingle grants and earned income, whereas a social business is completely self-funded (this distinction is debated in the literature). Although profits are not typically the central motive for social business (Prahalad & Hammond, 2002; Yunus, 2010), the term has been extended to include businesses that have both a social and financial objective. Yunus (2010) intended social businesses to be non-dividend, placing these types of businesses near the social enterprise category in Alter’s (2004) typology (see fig.2.4, 2.5).

Social Entrepreneurship

As with social enterprise, social entrepreneurship is fraught with definitional challenges (Mair & Martí, 2006; Peredo & McLean, 2006). Nicholls (2009, p.755) defines social entrepreneurship as “any innovative action that individuals, organizations, or networks conduct to enhance or reconfigure existing institutional arrangements to address the inadequate provision, or unequal distribution, of social and environmental goods (Dees, 1994, 1998a, 1998b; Light, 2008; Nicholls, 2008a).” Organizations in the practice of social

entrepreneurship, including Ashoka founded by Bill Drayton in 1980 and Volans founded by John Elkington in 2008, clearly link social entrepreneurship with transformational system-wide change, and distinguish social entrepreneurship as separate from social enterprise (see www.ashoka.org and www.volans.com). Leviner et.al, (2005) and Bornstein (2004) detail the unique process of filtering for social entrepreneurial traits and the power of individuals to create systemic change that underlies social issues. Some characteristics of social entrepreneurs include: willingness to take reasonable risk, understanding the difference between needs and wants, willingness to self-correct, strong learning orientation, willingness to share credit, willingness to break free of established structures, willingness to cross disciplinary boundaries, willingness to work quietly and without acknowledgement, and strong ethical impetus (Bartlett, 2004; Bornstein, 2004). Critics of the social entrepreneurship literature argue that focus on a heroic leader emphasizes the importance of a single actor, where complex system change requires many agents, variables, and networks and that research on social entrepreneurship traits has not been translated into the business models (Goldstein, Hazy, & Silberstang, 2008; Massetti, 2008).

Choi & Majumdar (2014) conclude that social entrepreneurship is an ‘essentially contested concept’ that is constituted by five distinct sub-components, including: (1) social value creation; (2) the social entrepreneur; (3) the social entrepreneurship organization; (4) market orientation; and (5) social innovation; with social value creation being the sole component that is an essential precondition.

Social Intrapreneurship, Ecopreneurship and Sustainable Entrepreneurship

In contrast to social entrepreneurship, social intrapreneurship describes individuals who seek to further social and environmental goals by leveraging the infrastructure and resources of their large companies while also generating a profit for their employers (Grayson, 2010). Intrapreneurship is a term attributed to Gilford Pinchot (1983) to describe entrepreneurial change-makers within large organizations. Social intrapreneurship takes this concept and transposes social aims. The traits of social intrapreneurs include: principles of social value creation, preserving nature, and serving others; the ability to cross business and social disciplinary boundaries and communicate in both terms; behaviours that include persistence, self-belief, learning, and outreach; strong learning orientation and willingness to experiment with trial and error; and strong entrepreneurial and communication skills which allow social

intrapreneurs to build trust, find champions, and garner support for their projects (Grayson, 2010).

Choi and Gray (2008b) describe sustainable entrepreneurs as entrepreneurs who are able to achieve social and/or environmental objectives in profitable enterprises. Schaltegger and Wagner (2011) contrast institutional entrepreneurs with ecopreneurs, social entrepreneurs, and sustainable entrepreneurs. According to Schaltegger and Wagner (2011), institutional entrepreneurs are also called promoters and have the ability to transform existing institutions or create new institutions to integrate sustainability. Ecopreneurs earn money by solving environmental problems, and social entrepreneurs earn money by creating value for society (Schaltegger & Wagner, 2011).

Aligning with the social entrepreneurship literature, the sustainable entrepreneurship and social intrapreneurship literature focuses on the individual traits of change-agents who are able to bring about large-scale market success in conjunction with social and/or environmental innovation (Schaltegger & Wager, 2011). Without these visionary leaders, it is difficult to achieve the direction, alignment, and commitment to bring about organizational change and introduce social and environmental components to business strategy (D'Amato & Roome, 2009). Sustainable entrepreneurs often do not have formal business training and are driven by their strong social and environmental personal values (Choi & Gray, 2008b).

Social Innovation and Creating Shared Value

Porter and Kramer (2011) argue that the greatest social impact can be achieved when a company aligns its strategy with a social dimension, integrating social values into the corporate value proposition (the unique offering a company makes to its customers). Saul (2011) observes that social innovation – designing social strategies into the core business – yields direct business value that immediately aligns with core goals and business strategy, alleviating the need to demonstrate the link of intangible value creation to economic value creation. Porter and Kramer (2011) suggest that business should address social issues that intersect with business interests and societal interests, to maximize return to both groups, thus creating shared value. Some of these strategies are reflected in: re-conceiving products and markets, redefining productivity in the value chain, and enabling local cluster development (Porter & Kramer, 2011) with the aim of addressing societal needs with business solutions.

Corporate Social Responsibility (CSR)

While there is an extensive body of literature on CSR, I focus on summarizing its relevance to ‘hybridity.’ Similar to the literature on social enterprise, the literature on CSR notes the lack of consensus in terminology (Shum & Yam, 2011), largely due to the multi-disciplinary nature of CSR (Kleine & von Hauff, 2009). Nevertheless, CSR includes variations on: recognition of responsibility to a diverse group of stakeholders, incorporation of social and environmental values into business operations on a voluntary basis, introduction of practices that embody sustainability principles, a sense of ethical or moral responsibility that exceeds legal responsibility, and philanthropic contributions (Choi & Gray, 2008a; D’Amato & Roome, 2009; Kleine & von Hauff, 2009; Samy, Odemilin, & Bampton, 2010; Shum & Yam, 2011). CSR is thus seen as an expression of a greater responsibility to society. What constitutes social responsibility varies by individual business, stakeholder, and community (Samy, Odemilin, & Bampton, 2010). CSR practices include reducing environmental impact, philanthropic strategies, and humanistic management practices, such as flex-time, and paid maternity leave (Shum & Yam, 2011). Despite the strategy of large corporates to engage in more socially responsible behaviour, there are critiques that CSR is a traditional for-profit corporate strategy employed to maximize profits and should not be categorized as a hybrid organization model (Haigh & Hoffman, 2012).

In sum, there is a multitude of strategies and approaches to describe how organizations are engaging in creating more than one type of value outcome, hybridizing social, environmental and financial aspirations. While attempts have been made to define, explore and examine how businesses can reflect more integrated social and financial goals or sustainable orientations, the literature has yet to articulate whether and how these hybrid organizations are able to deliver disparate and potentially competing forms of value. This calls for a richer discourse on value, to uncover how the reconceptualization of value can be applied in this new and emerging context of hybrid organizations.

2.4. Defining hybrid value: Theories of Value, Value Pluralism, and Hybrid Value

Theories of value include a large number of approaches that address how and to what degree people attribute value or determine worth, usefulness or goodness. These theories

stem from different disciplinary origins that explain how value is determined and attributed, from fields such as economics, psychology, sociology and ecology.

Because I am interested in organizations that pursue more than one type of value, I draw on the value theory literatures to examine how aspiring to create multiple value types introduces inherent challenges with co-existing logics.

2.4.1 Disciplinary theories of value

The multitude of disciplinary approaches to understanding value (and values) underlies some of the potentially conflicting and complex interactions that arise when the pursuit of value becomes an aspiration or goal. In order to understand how hybrid organizations may be able to create multiple forms of value (i.e. financial, social, and/or environmental), I first examine ‘value’ from a multi-disciplinary, multi-lens perspective. In this section, I briefly summarize how the fields of economics, sociology, ecology and other social sciences traditions have examined the concept of value. I chose these lenses as they are reflective of the disciplines of origin articulated in the aspirations of hybrid organizations, namely to create economic, social and environmental value outcomes.

2.4.1.1 Economics

Perhaps the most common notion of value can be attributed to the field of economics, where value is defined in terms of worth or measurement of the benefit that can be obtained from a good or service. Although there are many perspectives within the field of economics (as in every other discipline), I present a brief summary of how value is interpreted within the dominant neoclassical economics paradigm (Egri & Pinfield, 1996; Garegnani, 1984).

The birth of modern day neoclassical economics is attributed to Veblen (1924 in Weintraub, 2006). “The neoclassical vision...involves economic ‘agents,’ be they households or firms, optimizing (doing as well as they can), subject to all relevant constraints. Value is linked to unlimited desires and wants colliding with constraints, or scarcity. The tensions, the decision problems, are worked out in markets. Prices are the signals that tell households and firms whether their conflicting desires can be reconciled” (Weintraub, 2006, p. 1). Economic value is thus conceived of in terms of preferences, market value and willingness to pay and is often expressed in cardinal monetary units of marginal increments.

Management value theorists have noted the distinction between value as content and value as a process, distinguishing between value (what is valuable), the process of who values what and where values reside. This literature also notes that value creation is different from value capture or value retention and that value may be created at one level (i.e. by an individual) and captured at another (i.e. by a firm) and long-term retained at another (i.e. by society) (Lepak, Smith, & Taylor, 2007).

2.4.1.2 Sociology

In sociology, the concept of value relates to personal and collective values, and how these beliefs affect social interactions and dynamics. This can be summarized as: a concept or belief about desirable states or behaviours that transcend specific situations, guide evaluation of behaviour or events and are ordered by relative importance (Hitlin & Piliavin, 2004).

Values, in sociology, can also be expressed as goals, which serve as guiding principles for individuals or social entities. Schwartz (1994) suggests that we express our needs for human survival as values so that we can communicate and cope in social groups and contexts; we can organize values into goals that meet three universal requirements: (1) needs of biological organisms; (2) requisites of coordinated social interaction; and (3) requirements for the smooth functioning and survival of groups. Implicit in this definition is that values can direct or motivate action with emotional intensity and direction and/or can function as standards for judging and justifying actions. Additionally, values appear to be derived through the unique learning of individuals as well as through the influence of group beliefs and socialization.

As sociologists enter into explorations of value as an expression of worth (a more economic tradition of measuring or defining value), concepts such as ‘social capital’ (Putnam, 2000) and ‘social value’ emerged to describe, “entities that promote and strengthen social relationships or institutions... While many aspects of social value are commonly monetised in economic analyses, enrichment of the vitality and integrity of social relationships and institutions cannot be measured in cardinal monetary units, nor is it necessarily economically substitutable” (Trainor, 2006, p. 14). With the blurring of lines between disciplines and modes of accounting for what is meaningful, important or valuable,

Trainor (2006), Tetlock (1986), and Anderson (1993) point out that tensions arise in how to accurately capture this meaning or value, especially as it relates to decision-making and outcomes that influence what and how the objects and relationships valued are prioritized and reproduced.

2.4.1.3 Ecology

In the field of ecology, the concept of value appears to follow two different traditions: (1) those who value nature from a bio-centric or intrinsic perspective, and (2) those who try to legitimate ecosystem value and health by linking it to human and economic development and well-being.

The first concept is reflected in the perspective of “deep ecology” (Naess, 1973). Deep Ecology draws on philosophical approaches to nature and earth’s inherent worth and wisdom. This bio-centric view sees nature as intrinsically valuable and takes the position that we are deeply interconnected and interdependent upon nature for survival. This view implies that if we harm nature, then we ultimately are harming ourselves. The deep ecology tradition reflects values discussed in different traditions of philosophy, ethics and sociology. For example deep ecology theorists note “we, as individual humans, and as communities of humans, have vital needs which go beyond such basics as food, water, and shelter to include love, play, creative expression, intimate relationships with a particular landscape...as well as intimate relationships with other humans, and the vital need for spiritual growth, for becoming a mature human being” (Devall & Sessions, 2010, p. 456). The basic principles of deep ecology speak to the intrinsic or inherent value of both human and non-human life, meaning that value exists independently of its worth or relation to other beings.

In contrast, the field of environmental economics tends to defer to the neoclassical system of economics, to attribute value to environmental goods and services. In this way, nature’s assets are seen only to have value based on medicinal purposes, recreational uses, or as raw materials to productivity. Utilizing traditional economic tools of valuation, environmental goods and services are valued according to revealed preference, willingness-to-pay and other economic measures (Munda, 1997; Turner, Pearce, & Bateman, 1993).

The field of ecological economics attempts to reconcile the philosophical perspective of deep ecologists and the narrow economic lens of environmental economists by recognizing intrinsic and inherent value while deferring to the weight of economic analysis in policy making and harnessing economic tools to loosely value ecosystem health and resilience in economic terms (Costanza et al., 2014). This tradition describes the world's ecosystems as capital assets, yielding valuable and vital life fulfilling and life-support services, such as food, water purification, and beauty; however, it notes that "relative to other forms of capital, ecosystems are poorly understood, scarcely monitored and (in many cases) undergoing rapid degradation and depletion" (Daily, et.al, 2000, p.395). This argument presupposes that individuals and societies implicitly assess ecosystem services as 'free,' which may have been safe when ecosystem capital was abundant. However, in the face of declining ecosystem health and resilience, ecological economists argue that despite the risk involved in putting a price tag on nature, there is a critical need to understand how to value ecosystems (Daly & Farley, 2011).

2.4.1.4 Philosophy, Ethics, Psychology and other related social science disciplines

In order to understand how the process of valuing and systems of values contribute to understanding 'value,' I draw out the salient points about value from social science disciplines (philosophy, ethics, and psychology).

In ethics, the process of valuing is described as having positive attitudes toward something and applying a judgment of how we care about things to assess whether it meets with our notion of 'goodness' or what is morally right (Anderson, 1993). Some measures of morality are determined through normative pressures, in that we can only understand our individual attitudes in terms that make sense to others and that we interpret, justify and reflect upon our own interpretations with the aim of reaching a common point of view. Unlike the 'value' that can be derived through economic analysis, ethics relies on subjective and normative frameworks that help us understand what is good, meaningful and worthy of our attention or action (Anderson, 1993; Samuelson, 1947).

From philosophy, ethics, and psychology, there are descriptions of various types of value, including: intrinsic value, value that has merit or worth in and of itself without any relative comparison; extrinsic value, such as instrumental values, where valuation may depend on a subjective valuation of a component of the thing being valued (for e.g. the value of the gift may depend on the value of the giver); and reflective value, where the self-assessment yields judgments or attitudes that inform second-order values that help clarify whether something is appropriately valued (i.e. being embarrassed or depressed about laughing at a bad joke) (Anderson, 2009; Rokeach, 1973; Sethi, 1986; Tetlock, 1986).

2.4.1.5 Definition of hybrid value

Distilling down these various interpretations, value can be defined as (1) a measure of worth or usefulness; or (2) a system of individual or collective beliefs and principles that guide judgments and actions. However, the literature suggests that in a hybrid organization context, the beliefs and principles that guide judgments and actions lead to outcomes that can indicate measures of worth or usefulness (Dees & Anderson, 2003b; Elkington & Hartigan, 2008; Le Ber, et al., 2010; Zahra, Gedajlovic, Neubaum, & Shulman, 2009), meaning organizational value is a result of combining the two ‘definitions’ of value. Hybrid organizational value then includes: the outcomes or impacts that can be assessed (and/or measured) as a result of the actions and judgments guided by sets of beliefs and principles. These various lenses highlight that value is defined with many concepts, levels and processes. Table 2.1 organizes some of these diverse disciplinary views on value. Although this list is not exhaustive, it illustrates the diversity and plurality of perspectives on value.

Table 2.1 Multi-disciplinary conceptualizations of value

	Economics	Sociology	Ecology	Ethics	Psychology	Anthropology
Elements of a core definition	Measure of worth or quantum of benefit that can be derived from a good or service	Individual or collective beliefs about what is important and how this affects social dynamics	A measure of ecosystem health and resilience, either assessed intrinsically or in terms of 'worth' (ie economic terms) to inform policy	Measure of degree of importance in helping to determine what action or decision increases life's 'goodness'	Cognitive assessment of worth, importance, or beliefs that guide decision, behaviors, and actions	Social or cultural construction of worth and its meaning in relation to other cultures
Some key value concepts	Revealed preference, exchange value, use value, surplus, Pareto optimality, distribution, price	Personal values, community values, how value influences social behavior	Biodiversity, ecosystem services, resilience, health, interactions, feedback	Instrumental value, intrinsic value, goodness, moral value, contributory conditionality, relative worth	Empowerment, wellness, diversity, social justice, collaboration, motivation	Patterns of exchange, wealth and value in societies
Notable Value Theorists	Smith, Ricardo, Marx, Jevons, Mill, Keynes, Malthus, Sraffa, Veblen	Weber, Durkheim, Parsons, Habermas,	Malthus, Daly, Daily, Costanza, Odum, Kapp, Schumacher, Naess	Dewey, Kant	Rockeach, Schwartz, Kahneman	Graeber, Mauss, Malinowski, Bataille
Traditions or sub-theories of value	Labor Theory of Value Utility, Cost of Production, Paradox of Value, Neoclassical v. Classical	Institutionalism, Behavioral Studies, Postmodern Philosophy, Social Capital	Deep Ecology, Biocentric (intrinsic), Environmental Economics, Ecological Economics	Pragmatism	Decision Theory, Community Psychology	Cultural Reciprocity, Household Production

2.4.2 How is value being redefined in hybrid organizations?

Hybrid organizations challenge traditional business and economic norms by redefining economic goals from limitless profit seeking for profit's sake to defining financial profit as a goal tempered by social and environmental value creation and autonomy (Haigh & Hoffman, 2012). Unlike commercial businesses, hybrid organizations are not dominated by the sole objective of generating financial profits, nor are they willing to forgo financial autonomy in pursuit of social and environmental mission. These key elements redefine value from a singular pursuit to a more plural or hybrid concept. As an emergent field of interest, there is little literature that engages with the concept and meaning of hybrid value. However, the management literature offers a small and emergent body of literature on hybrid types of value, which I now review.

2.4.2.1 Blended Value

Blended value is defined as social, environmental and financial value, where the pursuit of one form of value is not traded off in light of the other, but rather value is redefined to be a composite whole (Emerson, 2003a, 2003b). While not widely utilized in the literature, the

concept of ‘blended value’ reflects the mixed purpose of hybrid organizations that aspire to broaden the definition of value (e.g. Haigh & Hoffman, 2012).

The concept of ‘blended value’ might apply most closely with the entrepreneurship stream of the hybrid organization literature, which includes social and environmental entrepreneurs and intrapreneurs who aim to harness the managerial skills, innovation, knowledge, networks, and social value orientations of entrepreneurial individuals to create (system-wide) change and to address pressing societal issues, often of scale (Banks, 1972; Leadbeater, 1997; Leviner, et al., 2005; Peredo & McLean, 2006). However, both ‘blended value’ and the various incarnations of social intra/entrepreneurs are terms and concepts that are yet to be clearly articulated and theoretically developed in the literature.

2.4.2.2 Shared Value

While Porter and Kramer (2011) popularized the term ‘shared value’ (see s.2.3.3.1), concepts in ‘shared value,’ have also been discussed previously in the hybrid organization literature, for example: “a strong business model will be built around opportunities where there is potential for significant congruence between social and economic value creation. While this alignment is not easily achieved and requires rigorous analysis, for-profit social entrepreneurs may develop profitable strategies based on cost savings, serving neglected markets, or targeting socially oriented customers” (Dees & Anderson, 2003a, p. 14) .

The concept of ‘shared value’ articulates that the greatest social impact can be achieved when a company aligns its strategy with a social dimension, integrating social values into the corporate value proposition (Porter & Kramer, 2011; Saul, 2011). Porter and Kramer (2011, p.6) also note that value means “benefits relative to costs, not just benefits alone.” Social innovation has also been described in some contexts as similar to ‘shared value’ where designing social strategies into the core business yields direct business value that immediately aligns with core goals and business strategy. The ‘shared value’ perspective suggests that business should address social issues that intersect with business interests and societal interests, to maximize return to both groups, thus creating shared value. Some of these strategies are reflected in: re-conceiving products and markets, redefining productivity in the value chain, and enabling local cluster development with the aim of addressing societal needs

with business solutions. In this way, value can be shared between business and society, the company and various stakeholders.

Shared value appears to resonate most closely with the large corporate community, including mainstream traditional for-profit businesses, that sees social value creation as an opportunity to generate greater financial value for the company. However, it is also an interesting continuation of many concepts that have been applied in the realms of corporate philanthropy and corporate social responsibility and may be a concept, if not a term, that is readily embraced in these company types who see the corporate responsibility extending to multiple stakeholders, which in turn leads to value creation for the firm (Bowen, 1953; Carroll, 1999; Drucker, 1984; Freeman, 1984).

2.4.2.3 Triple Bottom Line (TBL)

The triple bottom line (TBL) refers to social, environmental and financial performance of a firm (Elkington, 1997). These three pillars of sustainable business performance are also often termed people, planet and profit. ‘People’ refers to stakeholder interests, with the aim of acknowledging the needs of various constituencies. Some exemplary business practices include: implementing fair trade agreements, screening for human rights abuses through the supply chain, fair wages, and philanthropic strategies (Savitz, 2012). ‘Planet’ refers to ecological footprint or environmental impacts, where the aim is to minimize environmental harm through techniques such as life cycle assessment and operational improvements. ‘Profit’ refers to ‘true economic cost’ meaning the economic value after social and environmental costs have been internalized or calculated.

TBL applies most closely to the CSR and corporate sustainability movements, perhaps because these two concepts gained popularity with managers at similar times, particularly in the 1990’s (Choi & Gray, 2008; D’Amato & Roome, 2009; Kleine & von Hauff, 2009). However the types of value addressed in the TBL concept make it relevant to analyse in the broader context of other hybrid organizations. The concept of TBL and corresponding reporting tools have contributed to the trends in today’s Global Reporting Initiative, where multiple types of performance indicators are valued, including those across social, environmental and economic/financial dimensions (e.g. Robins, 2006).

2.5. Plural Value Tensions

While the three hybrid value concepts cited in the management literature illustrate three distinct approaches to defining plural forms of value that incorporate social, environmental and economic value, the literature does not describe how organizations may be overcoming the potential tensions or conflicts that may arise when implementing strategies with potentially conflicting goals. Are organizations that choose to pursue hybrid value able to overcome the ‘trade-off’ approach that places one type of value in opposition to another (e.g. Stevens et.al, 2014; Alter, 2004; Trainor, 2006), a dichotomy represented by the modern division between for-profit and not-for-profit? Given the challenges and multiple potentially conflicting definitions of value and ways of valuing highlighted in the value theories literature (s.2.4), I now examine whether and how organizations may be overcoming or addressing these challenges to value plurality.

2.5.1 Institutional logics

An institutional logic can be described as a set of practices and principles that guide individuals to reproduce institutions through their actions, creating an identifying rationality or meaning (DiMaggio & Powell, 1991; Friedland & Alford, 1991). Thornton & Ocasio (1999, p.804) define an institutional logic as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organize time and space and provide meaning to their social reality.” Thus, logics provide a framework for actors within institutions to both understand who they are, creating a cohesive identity, as well as guide what they do, or the actions that both stem from and create that identity. This is a useful lens from which to analyse the values (s.2.4.1.5), outcomes, measures of worth or usefulness, or systems of beliefs and principles that guide judgments and actions because it provides a framework of distinct sets of guiding values and beliefs that can potentially shed light on how organizations interpret ‘value’.

According to the institutional logics literature, society can be seen as a set of interrelated institutions, dominated by a set of seven major types of institutional logic: (1) market; (2) the state; (3) family; (4) the corporation; (5) professions; (6) religion; and (7) community (Friedland & Alford, 1991; Thornton et.al, 2012) . However, other studies cite a myriad of institutional logics that underscore the diversity of beliefs, values, rules, practices and

principles that characterize institutions. For example, Dunn and Jones (2010) note how the medical education industry straddles the logics of care and science, and Kraatz and Block (2007) note how universities navigate loosely coupled logics of academics and sports to yield a cohesive identity that speaks on different levels to different constituents.

Hybrid value concepts (e.g., Emerson, 2003; Porter & Kramer, 2011), illustrate how multiple logics could be at play, for example market logic and community logic. Market logic is associated with for-profit companies and is described by Friedland and Alford (1991) as emphasizing efficiency, profitability, stakeholder accountability and “economically motivated transactional behaviour in a system of ‘market capitalism’” (Durand, Szostak, Jourdan, & Thornton, 2013, p. 177). The clear goal of market logic is to produce an economic surplus that can be distributed to and appropriated by owners. Whereas community logic recognizes that organizations are also members of communities, reflecting values that are shared amongst participants in a geographically bound area and ideologies that reflect the importance of interdependent relationships and a so-called ‘cooperative capitalism’ (Thornton, et.al, 2012). Lounsbury and Boxenbaum (2013) refer to market logic in shorthand as profit maximization goals and community logic as social benefits. However, organizations that pursue hybrid value are not limited to only these two types of logic. For example, Pache and Santos (2013, p. 972) note how hybrid organizations embody commercial logic (i.e. market logic) and social welfare logic, a variant on community logic that they describe as having the predominant goal of “making products and services available to address local social needs” such as long-term unemployment or homelessness.

The institutional theory literature describes hybrid organizations as those that incorporate elements from different institutional logics (Battilana & Dorado, 2010) and argues that “hybrids are by nature arenas of contradiction” (Pache and Santos, 2013, p. 972). Institutions that pursue hybrid value draw upon plural logics, such as hybrid organizations that draw upon market logic and community and/or social welfare logic. Other examples of institutions that draw on more than one logic include: “hospitals (D’Aunno, Succi, and Alexander, 2000; Denis, Lamothe & Langley, 2001), neo-natal intensive care units, (Heimer, 1999), rape crisis centres (Zilber, 2002), drug treatment centres (D’Aunno et al., 1991), non-profit and public organizations (Brunsson, 1989; Dutton & Dukerich, 1991; Stone & Brush, 1996), universities (Cohen & March, 1986; Albert & Whetten, 1985), public schools (Rowan, 1982), public broadcasters (Powell, 1988), arts organizations (Mouritsen & Skaerbaek, 1995; Alexander,

1996), Taiwanese computer firms (Hung & Whittington, 1997), multi-national firms (Kostova & Zaheer, 1999) and small businesses (Pickle & Friedlander, 1967)” [in Kraatz & Block, 2007, p. 2-3]. These so-called pluralistic institutions are described by Kraatz and Block (2007, p. 2) as a type of organization that is “subject to multiple regulatory regimes, embedded within multiple normative orders, and/or constituted by more than one cultural logic. It is a participant in multiple discourses and/or a member of more than one institutional category. It thus possesses multiple, institutionally- derived identities which are conferred upon it by different segments of its pluralistic environment.”

However, much of the literature views hybrid or pluralistic institutions as a source of irreconcilable conflict. “Pluralistic institutions are... a source of contradictory logics (e.g. Friedland and Alford, 1991; Meyer and Rowan, Seo and Creed, 2002; Townley, 2002), which are expected to generate conflict, contradiction or confusion for organizations and individuals as they seek to realize these logics in action” (Jarzabkowski, Matthiesen, & Van de Ven, 2009, p. 284). Kraatz and Block (2007) observed that organizations conferred with multiple identities and purposes lead to conflict, goal-ambiguity, incoherence and fragmentation where no group is likely to be satisfied.

Despite many studies acknowledging the co-existence of multiple logics within segments of society or within organizations, most frame this as an incompatibility or conflict, where one logic inevitably becomes dominant (Hart et.al, 2003; Robins, 2006; Samuelson, 1947; Thornton & Ocasio, 1999). However, Thornton and Ocasio (2008, p. 105), referencing Friedland and Alford (1991), argued that “theories which ‘retreat from society,’ – emphasizing market mechanisms to aggregate individual utilities and preferences, organizational competition, technology, and resource dependence – begin to fail.” In this light, institutional logics can help explain why institutions may blend logics, in order to overcome the ‘failures’ that may arise by ignoring a seemingly less dominant logic. While some studies have explored the co-existence of multiple logics (see for e.g. Lounsbury, 2007), Reay and Hinings (2009) point out that these studies have yet to explain how actors manage the contradictions and tensions and navigate in a context where logics co-exist.

Institutional theorists have since taken various positions on how multiple logics are managed. For example, Pache and Santos (2013) have noted four distinct approaches to plural logics: (1) decoupling; (2) compromising; (3) combining; and (4) selective decoupling. The dominant view of decoupling logics holds that, “under conditions of competing

institutional logics, organizations symbolically endorse practices prescribed by one logic while actually implementing practices promoted by another logic” (Pache & Santos, 2013, p. 972). This strategy suggests that organizations uphold meaning and policies that conform to one logic but implement practices based on another logic. However, the practice of decoupling logics may lead to questions of institutional legitimacy and scrutiny of stakeholders, such as shareholders, who may perceive the institution to be violating its purpose, rationality and identity. Theorists who describe the practice of compromising logics (Oliver, 1991), note how bargaining and conforming to minimum standards can lead to outcomes that don’t fully express either of the logics but rather negotiate the middle ground to satisfy stakeholders enough to maintain legitimacy. In contrast, the approach of combining logics is a more recent phenomenon observed in the literature and speaks to undertaking activities from each logic to secure endorsement from a multitude of actors in the field (Greenwood, et al., 2011). Battilana and Dorado (2010, p.1420) state that “to be sustainable, a new type of hybrid organization needs to create a common organizational identity that strikes a balance between the logics the organization combines.” However, the literature on combining logics (e.g. Battilana & Dorado, 2010), includes examples of how organizations who have attempted to reconcile plural contexts through combining logics have confronted challenges such as limitations to growth because of the internal challenges between competing logics. Pache and Santos (2013) find that selective decoupling of logics, where institutions uphold both logics in some circumstances and only one logic in other circumstances, is another method for organizations to navigate a plural environment. For example, they note how an organization upholds both logics by incorporating both for profit and not-for-profit entities; whereas it decoupled logics by creating standards (policies) according to one logic but did not enforce or implement these standards, leading to practices that upheld the alternate logic.

In another study, Kraatz and Block (2007) note how institutions that embed plural logics into their identities often face problems with governance, relating to conflicting issues of purpose and control. They also note that issues can arise due to organizational change or in relation to organizational legitimacy, as conflicts may arise in competing logics (Kraatz & Block, 2007). To overcome this issue, Kraatz and Block (2007) describe how institutions undertake one of three strategies: (1) loose coupling of logics; (2) cooperative solutions; and (3) becoming a plural institution. In the first strategy, institutions loosely couple multiple logics; however, these organizations face limitations, particularly facing issues of

incommensurability (meaning things cannot be measured along the same cardinal scale, see s.2.5.2.2) (Chang, 1979; Tetlock, 1986) and incomparability (meaning things cannot be ranked on the same ordinal scale or compared along the same dimensions, see for e.g. Chang, 1979) and opposing or conflicting goals. In the second strategy, institutions acknowledge a mutual dependence upon the different types of logic, for example in universities where sports and academic units acknowledge the mutual value and dependence of each on the other's survival or right to exist. In the third strategy, institutions embrace plural logics, creating a cohesive plural identity that speaks to multiple underlying logics. However, Kraatz and Block (2007) do not describe how organizations arrive at these configurations or how they manage possible arising tensions at the stage of implementation.

There are other emerging examples of how organizations are navigating plural contexts, although the literature is still quite sparse. For example, Reay and Hinings (2009) put forward four propositions, based on a case study of the Alberta Canada health care environment, attempting to explain how organizations maintain plural logics, despite the potential inherent logic rivalries. They find that actors collaborated to achieve mutually beneficial goals, navigating the competing business and health care logics. For example, actors were able to separate decisions that related to each logic and worked together against the government to find outcomes that satisfied both business and health care logics. Reay and Hinings (2009) conclude that there is a need for more studies of organizations that operate in fields where multiple logics co-exist to determine whether and how this co-existence is sustainable. Other institutional theorists highlight this gap in the literature that fails to account for how organizations actually reconcile plural logics (Greenwood, et al., 2011; McPherson & Sauder, 2013; Powell & Colyvas, 2008).

Table 2.2 synthesizes the institutional logics literature approaches to reconciling plural logics, summarizing four approaches to how logics co-exist. This thesis draws on institutional logics as a framework to analyse how organizations with hybrid values are navigating these co-existing logics, and contributes to further understanding how actors are able to manage multiple logics to create hybrid value. Logics are the guiding beliefs, principles and rules that guide organizational identity and resulting actions, which in turn reinforce the beliefs and identity of the organization; whereas 'value' describes the outcomes and impact that result from logics and the actions that are implemented.

Table 2.2 Approaches to contesting or reconciling plural logics from the literature

How plural logics co-exist	Description	Reconciled or contested?	Source	Challenges
Decoupling	Uphold the meaning and policies of one logic; but implement according to another logic	Contested	Meyer & Rowan (1977); Friedland & Alford (1991)	Stakeholder scrutiny and challenges to organizational legitimacy
Selective decoupling; Loosely coupling	Uphold both logics in some circumstances and only one logic in others	Contested and reconciled	Pache & Santos (2013); Kraatz & Block (2007)	Conflicting goals; incommensurability
Compromising; Cooperating	Acknowledging a mutual dependency; bargaining and conforming to meet minimum standards of stakeholders of both logics to maintain legitimacy	Contested and reconciled	Oliver (1991); Kraatz & Block (2007)	Neither logic is fully expressed; ongoing tension
Combining; Plurality	Undertaking activities from each logic	Reconciled	Greenwood et.al. (2011); Battilana & Dorado (2010); Kraatz & Block (2007)	Limitations to growth due to internal tensions

2.5.2 Theory of Plural Value

To further explore the possible tensions that can arise in a plural context, such as those alluded to in the previous section on plural institutions that engage with more than one logic (s.2.5.1), I revisit the value theory literature to understand the more specific challenges to plural value.

The theory of plural value states that there are multiple ways people care about and value things or different modes of valuation (Anderson, 1993; Tetlock, 1986). Additionally, there are different ways of caring about things based on our social settings, roles and perceptions (i.e. level). Depending on context, actors may attribute value in different ways. This

theoretical lens highlights that because of the existence of multiple realms and forms of valuing, individuals and societies deem more than one type of value to be worthwhile or important to pursue. The value pluralism model is one approach to explain decision-making when people hold competing values (Anderson, 1993; Tetlock, 1986).

2.5.2.1 Plural Values and Dissonance

The prioritization of a single set of values above all others is referred to in the value theory literature as *monism* (Tetlock, 1986). One of the most direct critiques of monism is that society holds multiple values that do not always reveal a clear hierarchy of importance.

However, pluralism is not always easily embraced, as it can result in cognitive dissonance. Pluralism does not yield universal value judgements or facts that can enable critical reflection and decision-making. The advantages of deferring to monism are that: it may eliminate the problem of conflicting values; it may yield a clear and determinate result or weighting of worth on which to base calculated decisions; and it addresses the individual tendency or desire to maximize value (Tetlock, 1986). The theory of plural values confirms the same challenges highlighted in the institutional logics literature: multiple value sets or multiple logics may lead to contradiction, confusion, and conflict.

However, to defer to one set of values or allow one logic to become dominant, monism implies that all goods are commensurable or that their values can be measured across a single scale.

2.5.2.2 Incommensurability

One of the most common critiques of monism, and corresponding systems of measurement, is that expressions of value are not always commensurable, meaning they are not able to be measured along a common scale. This is often directed at economic valuation (Norgaard, et al., 2001; Tetlock, 1986), where, for example, a linear chain of consequences from which values are derived in economic utilitarianism cannot be applied to social interactions and nature, which involve complex interactions that do not always yield clear consequences, judgements or irreducible data. Or, for example, that cash ‘equivalents’ assumes goods are substitutable with alternative commodities, ignoring the possibility that

some goods, such as endangered species, may be considered irreplaceable higher goods (see for e.g. Trainor, 2006; Daily et.al, 2000).

For ecologists and environmental scientists, the challenge of working within a policy framework where decisions are informed by economic models has led to a hybridization of valuing environmental and ecological goods and services in economic terms. In an attempt to reconcile these logics, some theorists have looked at working within the value logic of one system, in an attempt to attribute meaningful importance, worth or value to another system. This can be seen when an economic value is attributed to an ecological or social ‘resource’ or item. For example, the value of global ecosystem services is estimated to be US\$33 trillion annually (Costanza et al., 1997). Attributing economic value to something intrinsically non-economic is attempting to bridge these logics or make them commensurable. This is true in a social dimension as well, where in the context of hybrid organizations, “though some social benefits can be converted into purely dollar terms, many important social purposes defy this kind of economic translation, making direct comparison of financial and social performance difficult. Furthermore, not only are financial and social objectives often incommensurable, but social objectives are also much more difficult to measure” (Dees & Anderson, 2003b, p. 7).

Measuring things that are only able to be subjectively (and is sometimes argued inappropriately) measured along a quantitative scale, such as well-being, happiness, health, justice, ecological health, and environmental ‘savings,’ has been lauded by some to see ‘value’ attributed to non-economic goals and criticized by others who see inherent incommensurability or incompatibility in the logics of these tools (Mulgan, 2010a). As Mulgan (2010a, pp.40-41) notes, even within types of value, there is disagreement about how to attribute and prioritize what is meaningful, “in many of the most important fields of social action—such as crime prevention, childcare, and schooling—people do not agree about what the desired outcome should be. In other words, the public argues not only about social value, but also about social values...social value is not an objective fact. Instead, it emerges from the interaction of supply and demand, and therefore may change across time, people, places, and situations.”

2.5.2.3 Value Relations, Interdependence and Instrumental Value

Monism also fails to examine the relationship amongst types of value; ignoring the possibility that one type of value could either reduce or help create another type of value. For example, instrumental value (or contributory value) is a transitive form of value that is used to achieve or create another form of value, as a means to an ends or as a contribution to a whole (Hitlin & Piliavin, 2004). Actions taken in pursuit of different types of value have psychological, social and practical consequences that may conflict or be compatible with the creation of other types of value.

Addressing the inherent interconnectedness and relationship amongst types of values, Sethi (1986, pp.209-210) states, “it has become increasingly difficult to find meaningful alternatives posed in the traditional choices between socialism and capitalism...the major difficulty is that the real world choices are not grounded in the ‘either/or’ approach, but in the ultimate analysis are ‘interactional’. They are not ‘either/or’ because the total organizational society today poses knotty value problems that can only be understood by painstaking study of interactions that are caused by changes in one set of values upon other sets of values in various sub-systems.” This theory states that: behaviours are the result of interaction between system conditions, intensity of belief in values, and the interaction amongst these variables. Essentially, given a particular set of facts that make up the setting and context for decisions, in combination with the value sets of those making decisions, the interplay amongst the context, including technological and social changes, and values or beliefs can create a complex interaction that ultimately yields a decision, behaviour and ultimately action for practical purposes (Sethi, 1986).

Although Sethi’s (1986) interactional value theory refers to sociological and psychological phenomena based on individuals holding multiple values simultaneously, this theory can help to shed light on organizational hybrid value by demonstrating that in a complex environment where multiple component values are held, component values will interact or have relationships with one another.

2.5.2.4 Aggregation issues: across level and time

Another valuation challenge of interdependence is how value may change across level and time (Aram, 1989). For example, what may be in the short-term interests of an individual may be in conflict or have negative consequences for the long-term interests of that same individual as a member of a collective social group. In other words, by prioritizing immediate privatized benefits or value, longer-term individual private and collective value may be undermined. The tragedy of the commons (Hardin, 1968) highlights this principle (see s.2.3.3). Examples of this are also seen when departments act in their own interest but to the detriment of the firm as a whole. This can be seen as a problem in the aggregation of actions: what might be in the interest of the individual, group, firm, community, country or international system may have undesirable effects at a different level of aggregation. Some of these discussions of aggregation reframe the traditional notion of ‘externalities,’ from one where costs such as environmental degradation have been seen to be ‘externalized’ to society by individual firms (Pigou, 1962), to a view where costs are allocated over a different dimension, such as time or level.

This issue of aggregation is also highlighted in the management literature, where it’s observed that value may be created at one level, but captured and subsequently retained at another (Lepak, et al., 2007). Each of these processes—value creation, value capture, and value retention—is a distinct process that can be analysed at various levels (individual, organization, society). Examining interdependence and aggregation issues across levels leads to the observation that individual and collective values are distinct from one another and can conflict across loci. Table 2.3 summarizes the challenges of plural value illustrated in the value theory literature.

2.5.3 Illustrating value tensions

In this section I illustrate how the management literature provides illustrations of the value tensions discussed in section 2.5.2, to remove the layer of abstraction and highlight tangible examples of how organizations are confronting these types of plural value challenges.

Table 2.3 Challenges to implementing practices that deliver plural values

- (1) **Cognitive dissonance; Monism**—the mental or cognitive challenge of reconciling ‘competing’ plural values, resulting in the preference and tendency to defer to a singular value system, where one type of value is dominant (Anderson, 1993; Tetlock, 1986)
- (2) **Incommensurability**—the inability for different types of value to be compared or measured along similar scales or metrics (Tetlock, 1986)
- (3) **Value relations, value interdependence and instrumental value; or mediating relationship between values**—one type of value may be dependent on another type of value; or one type of value may help create another type of value (Sethi, 1986)
- (4) **Aggregation issues across time and space**—short-term value may conflict with long-term value; or value created at one level (for example at the individual level) may conflict with value created at another level (for example at the group level) (Aram, 1989)

2.5.3.1 Governance theories and issues of plurality, dissonance, aggregation and value relations

Governance theories highlight how the role of stakeholders may add to the value tensions of the firm, illustrating challenges of value plurality, aggregation and value relations.

For example, Mason et. al. (2007) note that when an organization’s interests are multi-dimensional (i.e. commercial and social), trustees may face challenges in determining which activities serve the interests of the organization to which they are accountable (value plurality and dissonance). Depending on how businesses are defined, and which stakeholders are applying their expectations, business values, purpose, and agenda can be different (aggregation). The social aims of each organization and the relational dynamics between social values and economic needs and financial goals are uniquely defined on an organizational basis (value relations). However, it is the explicit communication of these values that lead to shared principles and a foundation to creating operating elements that can

be translated into structures, processes, and organizational design (Kelly & White, 2007). Senge et.al, (2007) have noted that different values, motivations and views of individuals and organizations should be understood so that networks can develop to further the respective aims of each group. For example, individuals and communities may place greater value on the long-term strategic management of natural assets, whereas corporations may view and value these relationships and assets as transactional, which will lead to different roles, expectations, and relationships.

2.5.3.2 Individual vs. Collective values and aggregation

Another interesting challenge for companies that attempt to redesign purpose and process to achieve hybrid value returns is that individual and collective values are distinct from one another (aggregation). Organizations tend to incentivize the behaviour of individuals through economic pay and other benefits, neglecting the collective behaviour of the organization as a whole (Trexler, 2008). Because the corporation is not an individual, it cannot take into account concepts such as social benefit, largely a challenge of not having quantifiable inputs for the economic models upon which it operates. The individual can be influenced by ethos, values, emotion and individual incentives. However, a corporation's decisions are guided by groups of individuals who set policies and systems, which are typically based on the logic of profit-maximization *or* social mission delivery. Ownership and governance of traditional enterprises is dominated by principles of limited liability and fiduciary duty, separating corporate identity from the individuals who hold different values, rules, and motivation (Trexler, 2008). It is the values and ethos of certain individuals or key stakeholders that shape the corporate collective mission and purpose, driving practices and policy. Thus, the need to clearly define and explicitly communicate corporate values to both internal and external stakeholders is integral to achieving a shared vision (Cornelius, Todres, Janjuha-Jivraj, Woods, & Wallace, 2008).

2.5.3.3 Measurement challenges and issues of monism and incommensurability

One of the biggest challenges in combining potentially competing logics across value sets is the challenge of measurement in the pursuit of intangible values, such as improvements in well-being, trust, education, or ecological health. Traditional value measurement systems are

typically based on quantified metrics (Bull, 2007). Performance measurement systems that incorporate social and environmental categories or principles, such as the Balanced Scorecard (Kaplan & Norton, 2001) or the Global Reporting Initiative, have been applied to some businesses that want to assess whether and how they are delivering upon their hybrid value objectives (Bull, 2007; Darby & Jenkins, 2006). There is a long list of non-financial measurement tools, including: the sustainability balanced scorecard, social life cycle analysis, five capitals model, ecological footprint, and many others. Some efforts have been underway to quantify social impact, such as the Robert Enterprise Development Fund's Social Return on Investment (SROI) method, which monetizes social metrics, or the New Economics Foundation's Local Multiplier 3, which traces money invested in a local community and tracks the impact (Emerson & Cabaj, 2000). While there has been work done to try to measure social and environmental or non-traditional value, critics argue that this tends to focus on metrics that are easy to obtain, quantify and measure, not necessarily the variables of interest (Darby & Jenkins, 2006; Mulgan, 2010a). Other critics note that the systems of monetizing or quantifying intangible values is inappropriate, does not attribute correct value, or is an inaccurate method of trying to attribute a number to something that inherently cannot be quantified (monism and incommensurability; s.2.5.2) (Diener & Suh, 1997; Eisler, 2007; Saul, 2011). Additionally, many of these systems can be complex, require specialized training and be resource-intensive (Mulgan, 2010a).

An alternative approach to measuring data that is inherently difficult or impossible to quantify, is to draw upon the processes of law instead of economics, where there is a precedent for process-oriented subjective and qualitative data analysis, through the use of juries and judges (Bornstein, 2004). Some measurement tools that rely heavily on qualitative data and subjective analysis include: Ashoka's Measuring Effectiveness tool, a form of enhanced social audit that tracks performance against descriptive customized internal progress metrics (Leviner, et al., 2005; Zadek, 1998) and 'Balance' performance management tool, adapted from Kaplan and Norton's Balanced Scorecard (Bull, 2007). Other measures of success have been proposed that measure subjective well-being, as in polling employees for their views on whether they feel satisfied, challenged, valued, compensated, utilized (Diener & Suh, 1997; Hawken, 1993).

The literature that examines these performance measurement systems offers a wide range of critiques and suggestions for the evolution of some of the more well-known tools, such as

the Balanced Score Card used to track internal management processes, to adapt to the unique operating environments and aspirations of evolving hybrid business models (Bull, 2007; Bull & Crompton, 2006; Leviner, et al., 2005). However, the relative immaturity of this sector reveals a gap in the literature on these assessment tools that can help articulate and measure progress, practices, and processes of firms with hybrid value goals. Improving hybrid value measurement systems will help organizations to: improve transparency and accountability; create systems to benchmark their performance and practices to their aspirations; direct internal strategy; demonstrate sustainability to stakeholders; prove their social contribution in order to meet their mission; attract funding; and better utilize marketing channels (Darby & Jenkins, 2006). Regardless of the tool, it is argued that assessing both non-financial impacts and financial value should be part of an integral process for companies that aspire to generate hybrid value, leading to improved systems design (Taylor, Goodrich, & Hobson, 1998).

2.6 Overcoming Value Tensions?

In order to understand how organizations might be overcoming these value tensions, I now explore how CSR and sustainability scholars have drawn on the organizational behaviour and organizational design literature to describe how organizations implement practices that embody the principles of sustainability, social responsibility, and by proxy hybrid value. I undertake this phase of engagement with the literature asking whether and how this literature can explain how hybrid value is created, particularly in light of the possible value tensions that were uncovered in s.2.5.

2.6.1 Organizational design principles to inform how hybrid value is created

Organizational design is seen as a key component that guides the translation of social, environmental and financial aims and values to operational practices and processes that deliver upon the objectives of the firm (Eisler, 2007; Paul Hawken, 1993; Osterwalder & Pigneur, 2010; Simanis & Hart, 2009). Much like the definitions of hybrid organizations (s.2.3.2), corresponding hybrid business models and organizational design principles are varied. Table 2.4 summarizes the guiding principles of hybrid organizational design, drawn from the CSR, sustainability and organizational design literature.

2.6.2 Firm-level dynamics and hybrid value creation

Taking these organizational design principles from a conceptual to an applied level, I continue by engaging the literature on firm-level dynamics. In order to generate hybrid value outcomes, organizations undertake activities that operationalise their hybrid value aspirations, translating resources and capabilities into hybrid value outcomes.

Table 2.4 Examples of guiding principles of hybrid organizational design

Source	Organizational Design Principle	Guiding Principles
Bornstein, 2004	Social Entrepreneurship	Practices of social entrepreneurial organizations include: institutionalized listening, paying attention to the exceptional, designing real solutions for real people, and a focus on human qualities
Eisler, 2007	Caring Economics	A new system that incorporates human values would: acknowledge our humanity, redesign rules and structures to create incentives for the outcomes we desire, factor in a long-term view, understand harmonic systems and relational dynamics, reassess our values and reattribute our valuations, redesign and invent economic tools that create value for society
Hawken, 2003	Restorative Economics or Sustainable Business	Design should be based on values we ascribe. Sustainable business would: engage in processes that are human, worthy, dignified and intrinsically satisfying; design systems of feedback and accountability that reinforce 'restorative' rather than destructive behaviour; take responsibility for their impact on the natural world; create long-term durable utility products
Kelly, 2007	Fourth sector or Blended Value Companies	Four sector companies blend social and financial concerns in their fundamental design and include: employee-owned companies, family – control, mission-driven firms, government-chartered companies, co-operatives, social enterprises and other emerging hybrids
Prahalad, 2002; Yunus, 2010	Bottom of the Pyramid (BoP); Inclusive or Social Business	Bottom of the pyramid and inclusive business (including Yunus' social business) creates goods and services for under-served markets, harnessing capitalism to address the needs of a socially excluded or marginalized group, i.e. the poor
Saul, 2010; Porter and Kramer, 2011	Social Innovation; Creating Shared Value	Strategies include: creating revenues through sub-market services (as in BoP), entering new markets through backdoor channels (under-served markets), influencing policy through reverse lobbying to support both public and private interest, create products good for customers, increase value chain productivity, create clusters
Simanis & Hart, 2009	Business Intimacy	A business intimacy model embeds in a community to co-create a new business model that is developed with, by, and for community interest
Waddock, 2010	Capitalism, Entrepreneurialism, Socio-Ecological Imperatives	Movements that blend capitalism, entrepreneurial spirit and socio-ecological imperative would: understand the impact of the 'now' culture, collaborate, and provide accountability. Included in this group: B corps, conscious capitalists, 'for benefit' companies, blended value and triple bottom line companies

The approaches to examining hybrid value organizational practices that appear in the literature include: (1) performance measurement systems that attempt to integrate non-

financial measures (s.2.5.3.3); (2) functional areas where CSR activities can be introduced into a business; and (3) best practices emerging from case studies.

Researchers have investigated hybrid value practices by dividing the business into functional areas where hybrid practices can be observed. For example, Smith and Sharicz, (2011) note that as organizations shift toward triple bottom line sustainability, transitions will take place in: systems of governance, leadership, business plan and strategy, measurement and reporting, organizational learning, culture, information systems, and an efficiency shift in mind-set from cost cutting to value creating. Moir (2001) notes the criteria of CSR business practice categories specified by CSR Europe are: workplace (employees), marketplace (customers, suppliers), environment, community, ethics, and human rights. Cornelius et.al. (2008) investigates the degree to which social enterprises embody their values by reviewing CSR practices that could be applied to or observed in social enterprises. They compile a long list of “CSR markers” from the literature, including: health and safety; human capital management; non-discrimination policies; fair wage structures; codes of conduct; managing environmental impact; and annual reporting (Table 2.5).

Table 2.5 CSR markers, compiled from the literature (*adapted from Cornelius et.al, 2008*)

Business Functional Area	CSR Practices
Human Resources	Health and safety, human capital management, non-discrimination policies, equal opportunity statements and implementation, fair wage structures, normal working hours, maximum overtime, vocational education and staff training, right to association and collective bargaining, human rights protections, confidential and impartial person to address labour concerns
Management and Strategy	Quality of management, managing finances, education for the promotion of corporate citizenship, adoption to change and innovation, codes of conduct
Community and External Engagement	CSR reporting, annual social reports, external campaigns promoting sustainable development, stakeholder engagement policies, support for third-party social/sustainable development
Operations	Managing environmental impacts, managing natural resources, auditing
Strategy	Adoption to change and innovation

The literature that delves into social and sustainable business practices offers some best practices and guiding principles that may be applicable to other hybrid organizations (Alvord, Brown, & Letts, 2004; Bornstein, 2004; Danko, Brunner, & Kraus, 2011; Stubbs & Cocklin,

2008a). This approach in the literature distils commonly observed behaviours into principles or best practices (Bornstein, 2004; Bull & Crompton, 2006; Choi & Gray, 2008, 2008b; Saul, 2011). Examples of these activities may include: flex-time, product stewardship, ethical supply chain practices, and voluntary pollution reduction. Table 2.6 compiles a list of some of hybrid value best practices observed in the literature.

Table 2.6 Examples of best practices observed in hybrid organizations

Best practice category	Best practice example	Sources
Balance idealism with business growth requirements	Deliberately trade off profits to invest surplus in service delivery Philanthropy: give back time/money Premium pricing strategies for higher cost ethical products/services Be circumspect about institutional capital and the value-orientation of investors	Bull 2007; Choi and Gray, 2008; Bonn, 2011; Smith, 2011
Communication and Relationship with External Stakeholders	Co-create the business model with consumers and the community Promote company values through marketing Be a role model and share best practices, contribute to open source, share knowledge Build an ecosystem of partners, industry coalition	Choi and Gray, 2008; Simanis and Hart, 2009; Grayson, 2010
Human Resources	Build a strong values-cantered organizational culture Invest in building local capacity Invest in personal and professional development of staff Recruit based on 'soft' qualities, such as shared values Encourage participative decision-making Cultivate leadership Institute workplace standards Provide in-house mentoring, scholarships Invest in employee benefits that exceed industry standards	Bornstein, 2004; Bull, 2006; Choi and Gray, 2008; Simanis and Hart, 2009; Smith, 2011
Operations	Do no harm; reduce negative externalities (emissions, product lifecycle, energy) Integrate improvements down the supply chain	Senge, 2001; Choi and Gray, 2008; Bonn, 2011
Organizational Design and Strategy	Commit to a meaningful purpose Share and align strategic vision Shift from command-and-control models to decentralized network-based governance Consider unusual exit options that align with values	Choi and Gray, 2008; Smith, 2011
Product and Service Selection	Leverage core competencies into business strategies to capture social/environmental niches Identify social innovation strategies, such as designing an inclusive business Invest in social/environmental products and services Innovate technologies that address social/environmental issues	Choi and Gray, 2008; Grayson, 2010; Saul, 2010; Bonn, 2011
Tracking and Management Systems	Institute frameworks that incorporate social and environmental metrics, such as: Natural Capitalism, Natural Step, Lifecycle Analysis, Biomimicry, Cradle to Cradle, etc.	Senge, 2001; Bonn, 2011

For example, a business model approach may re-design the value creation orientation or purpose to address marginalized employment or reframe customers as beneficiaries (Michelini & Fiorentino, 2012; Stubbs & Cocklin, 2008). Alternatively, companies may choose to pursue hybrid value outcomes through their supply chain or operations by introducing social or environmental screens on partners or suppliers or increasing value chain efficiencies (Choi & Gray, 2008; Stubbs, 2008; Porter & Kramer, 2011; Michelini, 2012). Further, governance practices can potentially address issues of ownership and control, where in the predominant stewardship model of modern large corporations, managers own significantly less than shareholders, leading to a potential divergence of interests and issues such as short-termism (Berle & Means, 1933). Other business dimensions where hybrid value outcomes may be produced include: workplace and human relations (HR) (e.g. flex-time, maternity leave, employee development), customer relationships (such as co-creation strategies), management and strategy (e.g. leadership that is willing to trade off profits to support values or pursue unusual exits or incentives to align with mission), finance, community, environment, and external engagement (Senge et.al, 2001; Bull, 2007; Choi & Gray, 2008; Stubbs, 2010; Simanis & Hart, 2009; Yunus, 2010; Porter & Kramer, 2011; Saul, 2011; Shum & Yam, 2011; Michelini, 2012; Osterwalder & Pigneur, 2010).

Although there have been multiple attempts and approaches to explore at both a conceptual and implementation level how hybrid value can be created, it remains somewhat unclear how to compile these different guiding principles and best practices. After reviewing the organizational behaviour literature, with particular emphasis on organizational design and firm-level dynamics related to CSR, sustainability, and hybrid organizational practices, I have derived table 2.7 to summarize the categories where hybrid value implementation steps may take place. This summary table 2.7, attempts to synthesize salient organizational behaviour dimensions or components from the literature to:

1. Inform the conceptual framework used to explain the connection between institutional logics, types of hybrid value, practices and outcomes (Chapter 8)
2. Inform the interview guide used to gather empirical data (Chapter 3)
3. Serve as a reference to analyse data (Chapters 5-8)

Table 2.7 summarises twelve business dimensions where hybrid value may be created, and sample business practices, including:

1. Business Models (e.g. Stubbs & Cocklin, 2008; Yunus, 2010; Michelini, 2012)
2. Communication and External Engagement (e.g. Choi & Gray, 2008; Simanis & Hart, 2009; Grayson, 2010)
3. Community (e.g. Stubbs & Cocklin, 2008a)
4. Core Offering (e.g. Choi & Gray, 2008; Grayson, 2010; Saul, 2010)
5. Eco-system (and partnerships) (e.g. Osterwalder & Pigneur, 2010; Michelini, 2012)
6. Environment and Operations (e.g. Hawken, 1993; Senge, 2001; Choi & Gray, 2008)
7. Finance (e.g. Stubbs & Cocklin, 2008a; Smith et.al, 2011)
8. Governance (e.g. Stubbs & Cocklin, 2008a; Michelini, 2012)
9. Management and Strategy (e.g. Bull, 2007; Choi & Gray, 2008; Bonn, 2011)
10. Marketplace and Customers (e.g. Simanis & Hart, 2009; Michelini, 2012)
11. Tracking and Measurement (e.g. Senge, 2001; Bull, 2006; Nicholls, 2009)
12. Workers, Workplace, HR (e.g. Cornelius, 2007; Shum & Yam, 2011)

Although the literature has outlined a number of ‘practice’ areas where hybrid value strategies can be implemented and observed, this literature does not explain how organizations are able to reconcile the different value logics and inherent tensions that arise in the pursuit of more complex and plural forms of value.

Table 2.7 Implementation framework, summarizing example practices to create hybrid value

Business Dimension	Sub-categories	Sample practice categories or indicators	Key Authors
1. Business Models	Value creation Orientation; Purpose; Org. Design	Marginalized employment model, inclusive or under-served market, customers as beneficiaries	Stubbs and Cocklin (2008); Yunus (2010); Michelini (2012);
2. Communication and Engagement	Stakeholder Engagement, Reporting	Share knowledge, integrated reporting, stakeholder engagement	Choi and Gray (2008); Simanis and Hart (2009); Grayson (2010);
3. Community	Economic Development, Civic Engagement	Community service, job creation, retaining local capital	Stubbs and Cocklin (2008a);
4. Core Offering	Product/Service; Value Proposition	Leverage core competencies to capture social/environmental niches, social innovation strategies	Choi and Gray (2008); Grayson (2010); Osterwalder and Pigneur (2010); Saul (2010); Porter and Kramer (2011); Michelini (2012);
5. Eco-system	Partners, such as suppliers and distributors ; Industry partners or clusters; value chain;	Create clusters, introduce social/environmental screens on partners	Osterwalder and Pigneur (2010) ; Porter and Kramer (2011); Michelini (2012);
6. Environment and Operations	Operations, Products and services	Value chain efficiencies, reduce negative externalities, voluntary standards, auditing, closed loop systems	Hawken (1993); Senge (2001); Choi and Gray (2008); Stubbs and Cocklin (2008a); Porter and Kramer (2011) ;
7. Finance	Revenue streams; Cost structures	Shift from cost-cutting to value creating; long-term view, trade off profits to support values, invest surplus for social mission,	Stubbs and Cocklin (2008a); Smith et al. (2011);
8. Governance	Ownership; Control; Mission; Stakeholder Orientation	Diversity policies, Director-level social/environmental performance review, legal form or certification	Stubbs and Cocklin (2008a); Michelini (2012)
9. Management and Strategy	Leadership; Vision	Innovative strategy; unusual exits, innovation, incentives	Bull (2007); Choi and Gray (2008); Bonn (2011); Smith et al. (2011)
10. Marketplace, Customers	Relationships	Co-creation strategies with customers, designing products that are good for customers, building trust	Simanis and Hart (2009); Osterwalder and Pigneur (2010); Michelini (2012);
11. Tracking and Measurement	Verification	Measurement frameworks and assessment tools to track social and environmental metrics	Senge (2001); Bull (2006); Stubbs and Cocklin (2008a); Nicholls (2009); Mulgan (2010a,b); Bonn (2011) ;
12. Workplace, Employees, HR	Culture	Employee development, employee ownership, flex-time, maternity leave, benefits that exceed industry standards	Cornelius (2007); Shum and Yam (2011)

2.7 Research Questions

This literature review has revealed there are research opportunities to explore whether and how organizations are able to reconcile tensions that arise from operating in plural value contexts. The extant literature has yet to clarify what is meant by hybrid value and whether and how the multiple logics that guide outcomes relating to different types of value can be reconciled. There are clear gaps in understanding what hybrid value is and how organizations are able to pursue this complex form of value, especially given the issues related to conflicting logics, incommensurability and aggregation (s.2.5).

2.7.1 Research Overview

My research is focused around the question of how organizations are defining and creating value. The literature reveals that value holds different meanings and is comprised of different ‘types’ of underlying value (s.2.4). For example, an organization is likely trying to create financial value in the form of profits for its shareholders, whereas it may also be either intentionally or inadvertently creating social value for its customers, employees and community by creating intangible benefits like trust, relationships or well-being. Additionally, an organization may create value for groups outside of its direct or local community, by creating benefits for the environment, specific beneficiary groups, such as homeless youth, or even public value that gets ‘externalized’ to society at large.

The sustainability and corporate responsibility literature would define these value segments traditionally as financial, social and environmental value. This literature presents concepts that describe this hybridization or blending of value concepts, such as: shared value, blended value, and triple bottom line (s.2.4).

However, there are different ideologies underlying each type of ‘hybridized’ value. Institution theory, in particular institutional logics, provides a lens with which to understand these different ideologies, explaining that institutions operate with different logics or sets of practices and principles that guide individuals to reproduce institutions through their actions, creating an identifying rationality or meaning (s.2.5.1). Logics provide a framework for

actors within institutions to understand who they are, creating a cohesive identity, as well as guide what they do, or the actions that both stem from and create that identity.

2.7.2 Research Aim and Objectives

The aim of this research project is to explore how organizations that define value as a hybrid of social, environmental and financial value are delivering these potentially competing outcomes, particularly given the challenges highlighted in the institutional logics literature and the theory of plural value. In other words, my central research question is: how are organizations creating hybrid value?

To address this aim and answer the question of how organizations are delivering multiple forms of value, the main research objectives are:

- (1) To understand what is meant by hybrid value;
- (2) To understand what drives organizations to pursue hybrid value;
- (3) To identify whether and how organizations are able to achieve hybrid outcomes; and
- (4) To understand whether and how organizations overcome tensions or reconcile logics.

Chapter 3 Research Design

This chapter describes the research design, the outline or blueprint of the logic, and steps involved in undertaking this research project.

The methodology (s.3.1) describes the way in which the study was approached and explains the logic and justification for choosing this particular approach. I begin with the ontological and epistemological assumptions (s.3.1.1.1-3.1.1.2), to clarify this research project's position in perceiving the nature of reality and outline the techniques appropriate for investigating this reality (Blaikie, 1993). I outline the research strategy or the logic that informs why I have chosen the approach to research that I have (s.3.1.1.3-s.3.1.4). Then I move on to discuss the research methods, the tools and protocols used to select, collect and analyse data (s.3.2-3.3). I conclude this chapter with section 3.4 to address issues of research quality and validity and discuss the presentation of results (s.3.5).

3.1 Methodology

Methodology is described as the logic and justification for the research design, explaining the way of thinking about a phenomenon (Clough & Nutbrown, 2012; Corbin & Strauss, 2008).

3.1.1 Methodological assumptions

An important step in research is to identify the researcher's methodological position, clarifying assumptions that direct the researcher to select particular methods (Guba & Lincoln, 1994).

3.1.1.1 Ontology

An ontology describes claims about the nature of reality; by clarifying the ontological position of this thesis, I am acknowledging that, researchers take a particular stance and hold views on the nature of reality that guide the approach to conducting research (Blaikie, 1993).

There are a number of ontologies that guide various approaches to social enquiry. For example, positivism states that reality can only be known from what can be observed; however, the critiques of this position note that experience is regarded as an inadequate source of knowledge, discounting the perspectives and interpretations that constitute social reality. Critical rationalism states that nature and science have uniform absolute truths, and the nature of research is to uncover these universal truths. Other contemporary approaches to social enquiry include: critical theory, realism, structuration theory, and feminism (Blaikie, 1993).

This research takes the ontological position of interpretivism, which states that social reality is not some ‘thing’ to be interpreted but instead is those interpretations; so it is not a physical reality but dependent upon how individuals interpret the world in which they find themselves (Blaikie, 1993). Researchers who take this ontological position intend to “make sense of or interpret meanings others have about the world, generating a theory or pattern of meaning” (Creswell, 2009, p. 9). Interpretivist ontology takes what positivism and critical rationalism ignore, the everyday accounts and meanings used by social actors, and elevates these to a central place to understand social reality as perceived by members who make up this reality. Gioia and Pitre (1990) describe the goal of an interpretivist as one that draws on this social construction of reality and seeks to describe and explain in order to diagnose and understand; this process is said to lead to discovery through code analysis that can provide a pathway to theory building.

My research questions seek to understand how organizations are creating hybrid value, what is meant by hybrid value, and why organizations are seeking hybrid value. Interpretivist ontology frames the meaning of value as a series of interconnected social interpretations, fitting with the view that “attempts to describe the social construction of cultural norms are better represented by theories rooted in subjectivist/ interpretive assumptions.” (Gioia and Pitre, 1990, p. 587)

Because the literature is lacking both theoretical and empirical evidence on the nature of hybrid value, this research area is determined to be nascent (Edmondson & McManus, 2007). According to Blaikie (1993), an interpretivist approach is useful for conducting exploratory research that seeks to construct theory and develop an understanding of a nascent social phenomenon, in this case hybrid value. Thus, my ontology facilitates an exploration of a little researched topic by drawing on the views of actors who can construct a social view of their

reality; participants who work with and for hybrid organizations can share their perspectives to uncover what is meant by hybrid value, how their organizations are navigating conflicting logics to create hybrid value, and why organizations commit to hybrid value strategies.

In taking this ontological position, I acknowledge that both the participants in the study and I have inherent cognitive limitations and biases that inherently influence perceptions of reality, which introduces biases in both research observations and analysis. In fact, as an interpretivist, it is these very experiences and biases that influence perceptions or interpretations of reality. Rather than strive for ‘objectivity,’ which Guba and Lincoln (1994) have noted is a ‘myth,’ I have instead strived for ‘sensitivity.’ Sensitivity requires a researcher to put herself into the research and screen for meaning and relevant interpretations of the data (Corbin & Strauss, 2008).

3.1.1.2 Epistemology

An epistemology describes the theory or science behind the methods; in clarifying the epistemological assumptions of this research, I am clarifying the perception of the ways it is possible to gain knowledge about a particular reality (Blaikie, 1993).

The epistemology of this research, consistent with an interpretivist ontological position, is one where knowledge is derived from “everyday concepts and meanings” (Blaikie, 1993, p. 177). The researcher, thus, elevates the meanings and interpretations of ‘insiders’ whose perceptions and experiences construct their world.

In this study, as I seek to understand how organizations are creating hybrid value, I draw on the perceptions of participants to first interpret what is meant by value. It is by interpreting these insiders’ views—their everyday concepts and meanings—that I derive meaning about how organizations are defining hybrid value and, in turn, uncover strategies and practices that enable hybrid value creation.

3.1.1.3 Abductive Approach

Based on an interpretivist ontological and epistemological position, Blaikie (1993) suggests an abductive approach to research, where new ideas can emerge and go beyond description to explanation and prediction. Abduction is a cyclical process that draws on

concepts, activities, motives, intentions and meanings constructed and conveyed by social actors which predict their behaviours and produce an account of the actors' social life (Van de Ven, 2007). An abductive approach is grounded in everyday activities and the language of social actors and attempts to organize these activities and meanings to derive categories and concepts which can lead to theories that help explain a problem or form the basis of understanding for a phenomenon (Van de Ven, 2007). This cyclical and iterative approach draws on induction, deduction and verification, moving back and forth between these modes of inquiry to build a theory grounded in the data that is observed (Van de Ven, 2007).

An abductive research strategy guides the researcher to construct a theory grounded in the everyday meanings and experiences of actors, following an interpretivist world view (Blaikie, 1993). This process begins with describing activities and meanings, then deriving concepts and categories to understand the phenomenon at hand. The key aspect to this process is that it requires a cyclical or iterative process of constructing meaning, whereby the researcher immerses herself in the data, steps back to analyse and interpret what is being observed, re-engages the data, and continues in a cyclical fashion to move in a spiral fashion between 'layers' of this strategy (Blaikie, 1993) (figure 3.1).

In contrast with abduction, induction follows a linear approach to derive generalizations from particulars. An inductive approach generally suits a positivist ontology, whereby 'facts' constitute an independent reality, in contrast with the social constructivist or interpretivist approach to ascribing meaning (Blaikie, 1993). A deductive approach also follows a linear path to derive specifics from generalizations, whereby reality is determined through a critical rationalist approach to testing and rejecting hypotheses (Blaikie, 1993). However, the nature of my research question does not lend itself to hypothesis testing, where generating hypotheses in a very nascent area would inevitably lead to rejection (Blaikie, 1993). Finally, retroduction follows a realist approach, where reality is indisputable and independent from observation and interpretation (Blaikie, 1993). While all of these approaches hold merit, an abductive approach reflects my ontological and epistemological position and provides a framework to generate theory by eliciting participants' views and interpreting their meanings.

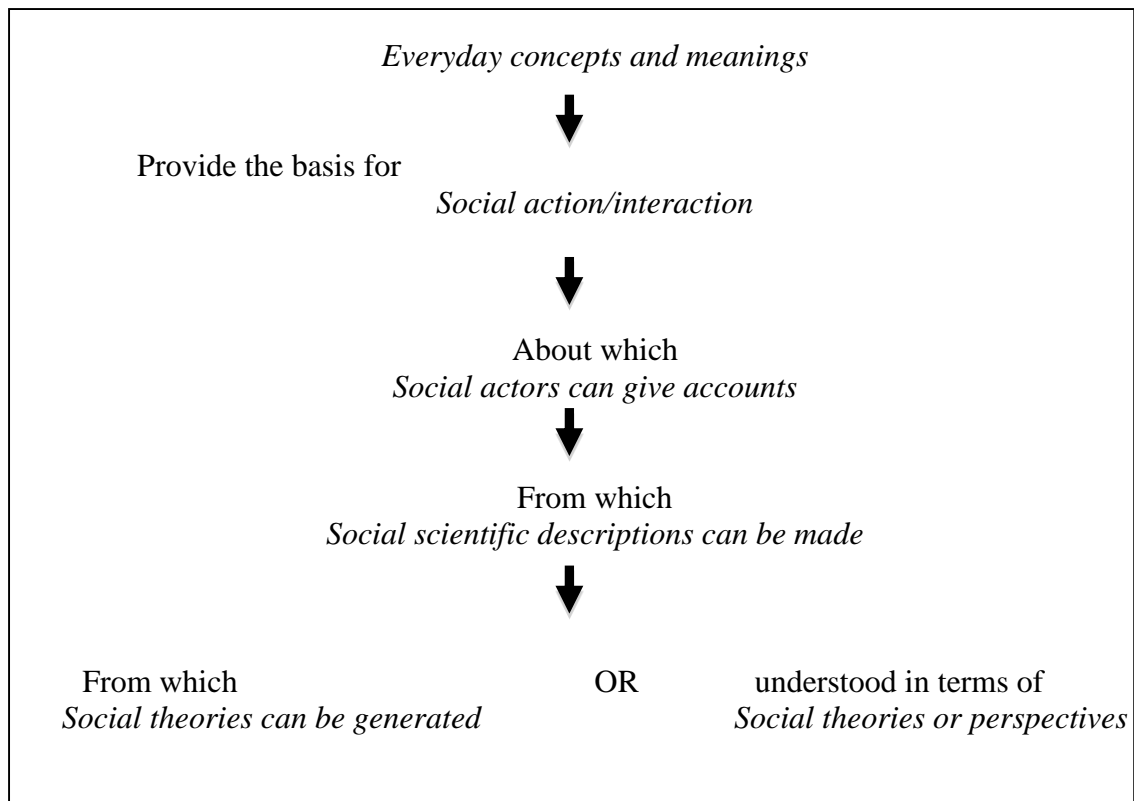


Figure 3.1 Abductive research strategy “layers” (Source: replicated from Blaikie, 1993, p. 177)

Thus, this study uses an interpretivist abductive approach to develop insights on the organization of hybrid value companies, drawing upon the interpretations of individuals within hybrid value companies.

3.1.2 Exploratory Research

Hybrid value represents a nascent stream of research, described by Edmondson and MacManus (2007) as an area where little to no previous theory exists, creating opportunities for multiple strands of inquiry and research. Given the relative immaturity of this field, an exploratory approach is taken to: investigate little understood phenomena, to identify or discover important variables, or to generate hypotheses for further research (Marshall & Rossman, 1995).

“In studies where theory is nascent or immature, researchers do not know what issues may emerge from the data and so avoid hypothesizing specific relationships between variables. Because little is known, rich, detailed, and evocative data are needed to shed light on the phenomenon. Interviews, observations, open ended questions, and longitudinal investigations are methods for learning with an open mind.” (Edmondson & MacManus, 2007, p.1162)

Edmondson and MacManus (2007), suggest taking an exploratory qualitative approach to researching a nascent area in order to identify new patterns in the data to develop a suggestive theory that may help guide future areas of research in the area.

3.1.3 Theory Development

According to Corley and Gioia (2011, p. 12), “theory is a statement of concepts and their interrelationships that shows how and/or why a phenomenon occurs.” Theory building is defined by Gioia and Pitre (1990, p. 587) as “the process or cycle by which [theories] are generated, tested and refined.” Parsons and Shils (1962) offer four classifications of theory development, including: (1) ad hoc classificatory system, where empirical observations are categorized in an arbitrary fashion in order to summarise and organise the data; (2) taxonomies, which includes categories that fit and summarize the data; (3) conceptual frameworks, that offer explanations and predictions by developing broad categories and a set of propositions; and (4) theoretical systems, which explain and predict empirical data, in which propositions can be derived from a series of axioms or premises.

Because of the exploratory nature of this research area, the objective of this research project is to develop theory to understand how companies are able to create hybrid value. Thus, this project involves deriving meaning from the data, an interpretivist view, to develop an explanation of how organizations are interpreting hybrid value and how they are translating these concepts into strategies and practices to help them overcome potentially conflicting value logics.

In order to develop theory, data is collected and used to generate new concepts, relationships, and/or propositions. This research project draws on empirical findings to generate theory about how companies create hybrid value. There are many qualitative data analysis techniques aligned to the interpretivist/abductive approach that can lead to the development of theory, for example: discourse analysis (Burman & Parker, 1993); narrative analysis (Murray, 2003; Reissman, 1993); grounded theory (Glaser & Strauss, 1967); analytic induction (Bryman & Burgess, 2002; Manning, 1982); ethnomethodology (Tesch, 2013); and thematic analysis (Boyatzis, 1998; Braun & Clarke, 2006).

3.1.4 Choice of analytical method

To answer the research question, I have chosen to use thematic analysis to “provide a rich and detailed, yet complex account of data” (Braun & Clarke, 2006, p.5). In this section, I defend my choice of analytical method by identifying its strengths and weaknesses, coherence to my ontological and epistemological position and appropriateness to answer my research question.

3.1.4.1 Thematic Analysis

Thematic analysis is “a method for identifying, analysing, and reporting patterns (themes) within data” (in Braun & Clarke, 2006, p. 6). It is described as a strategy for categorizing or “encoding qualitative data” (Boyatzis, 1993, p. vii). The researcher develops codes, words and phrases, that label parts of the data and further organize these codes to derive themes or the salient overarching subjects or topics that help summarize what is being uncovered in the data. Boyatzis (1993) and Braun & Clarke (2006) note that thematic analysis serves to both organize and interpret rich and complex data.

“One of the benefits of thematic analysis is its flexibility” (Braun & Clarke, 2006, p. 4), meaning it can be applied in a number of ways to suit various epistemological and ontological positions, to derive theory, to analyse theory, as a method in its own right (Braun & Clarke, 2006), or as a process or tool applied to other qualitative methods, such as grounded theory (Boyatzis, 1998).

Braun & Clarke (2006) describe two strands of thematic analysis: inductive and theoretical (deductive). In inductive thematic analysis, the researcher engages in a ‘bottom up’ process of deriving research questions and identifying themes from the data. In theoretical thematic analysis, data is coded related to a particular research question or theoretical frame. Boyatzis (1993) also notes a third approach based on coding in reference to prior research. Although an abductive approach is not explicitly referred to by Braun and Clarke (2006, p.15), they do state that thematic analysis “involves a constant moving back and forward between the entire data set, the coded extracts of data that you are analysing, and the analysis of the data that you are producing,” reflecting an abductive approach of iterating between data, findings, and the theory that is emerging. They clearly state that the analytical process is not linear but recursive, again fitting with an abductive approach (Braun & Clarke,

2006). In alignment with my ontological position, I relied on the words and perceptions of my participants in order to generate meaning and ultimately answer my research question about how organizations are approaching hybrid value creation. This process uses multiple strands of data collection alternating with data analysis, where data is collected and analysed in an iterative fashion in order to refine findings.

Blaikie (1993) points out that an abductive research strategy is used to construct theory grounded in the everyday meaning and language of actors. This approach begins with describing activities and meanings and then derives categories and concepts that can form the basis for understanding the research problem. In this way, Blaikie (1993) describes how thematic analysis can be applied as an explicit exposition of an abductive research strategy. To support this view, Braun and Clark (2006, p. 8) describe how thematic analysis can be performed as an interpretivist approach “within a social constructionist epistemology (i.e., where patterns are identified as socially produced, but no discursive analysis is conducted).” The constructionist paradigm leads Braun and Clark (2006) to describe a latent level of analysis to assign themes that interpret meaning, going beyond a mere semantic or descriptive analysis of the data.

In sum, thematic analysis is a method for identifying “repeated patterns of meaning” (Braun & Clark, 2006, p. 15). Figure 3.2 depicts the six steps of conducting thematic analysis as outlined by Braun and Clark (2006, p. 35). These steps include: (1) familiarizing yourself with your data; (2) generating initial codes; (3) searching for themes; (4) reviewing themes; (5) defining and naming themes; and (6) producing the report. I followed these steps to transcribe my data, review, reflect and write memos or notes about initial reflections; assign initial codes; derive themes; revise themes; name themes; and find specific examples to illustrate each theme.

Table 1: Phases of Thematic Analysis

Phase	Description of the process
1. Familiarising yourself with your data:	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes:	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes:	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes:	Checking in the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic 'map' of the analysis.
5. Defining and naming themes:	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells; generating clear definitions and names for each theme.
6. Producing the report:	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

Figure 3.2 The six steps of thematic analysis (*Source: Braun &Clarke, 2006, p. 35*)

By choosing to employ a thematic analysis methodology, I engaged with the literature prior to data collection to provide context and justification for my research. I then collected and analysed data through the process of abduction and constant comparison, where data and findings were iteratively revisited to clarify emergent categories and insights. In my final stages of data analysis, I revisited the literature to link my findings to the extant literature and identified two relevant theoretical lenses to aid in data analysis (institutional logics and value theories; see s.2.5.1; s.2.5.2).

I acknowledge the critiques of Thematic Analysis including:

- Some views that see thematic analysis as a tool or process rather than a method in its own right (Mills et. al, 2009).

- The positivist critique that the flexibility of the process leads to ambiguity and the inability to reproduce the steps (Mills et.al, 2009).
- The interpretivist critique that fracturing, chunking and categorizing data breaks its coherence and narrative (Mills et.al, 2009).

My response to these critiques includes:

- I follow Braun's & Clarke's (2006) interpretation of thematic analysis as a distinct method in its own right.
- The positivist critique is often applied to all qualitative research methods; however, I address this by clearly outlining the steps I took and have included memos and notes to document my thoughts in the coding process in Appendix 6 (see s.3.4).
- The coding process (s3.3.2) is one way to organize complex and rich data into components that tell a cohesive story. This is reflected in my findings chapters and conclusion that builds upon these findings to construct a systems model to tie these findings together (Chapters 5, 6, 7 and 8).

In sum, I have selected thematic analysis as an abductive approach to theory building as the most appropriate approach for answering my research questions that reflects my ontological and epistemological positions.

3.1.4.2 Qualitative Research

There are three primary reasons why a qualitative design was selected in favour of quantitative research. First, as this study is exploratory in nature, a qualitative approach is deemed more appropriate to uncover previously unexplored concepts and nascent areas of research (Eisenhardt, 1989; Marshall & Rossman, 1995). Second, an interpretivist worldview lends itself to engaging actors with qualitative research tools to elicit the views and meanings actors ascribe to their realities. This requires the researcher to go beyond discrete quantitative and statistical generalizations to unpack qualitative complexities and interpret meaning. Finally, following Edmonson and MacManus (2007), a qualitative approach is appropriate for exploring a nascent area of research (s.3.1.2).

Despite the appropriateness and fit of selecting a qualitative research approach to answer my research question, I acknowledge there are inherent challenges or critiques of qualitative studies.

These weaknesses include the observation that qualitative research often results in an overwhelming amount of rich data that can prove difficult to present in a digestible fashion (Eisenhardt, 1989; Yin, 2003). I have attempted to overcome this weakness by offering in-text summaries, summary tables and figures as proxies for the rich data that could not all be presented (Eisenhardt, 1989). Qualitative studies may also be seen to lack analytic generalizability, at times remaining applicable only to the cases or population from which they were derived (Eisenhardt, 1989; Kirk & Miller, 1986). I have attempted to overcome idiosyncratic bounding factors and focused on the common generalizable orientation toward hybrid value as the key criteria for selecting case studies. Jick (1983) notes that by drawing on multiple viewpoints and cross-site analysis, results can be strengthened, helping to address the concern of generalizability and validity (see s.3.4). Additionally, Siggelkow (2007) notes that there is value in picking organizations that are not generalizable or representative, meaning that special cases illustrate the uniqueness of the case selected. In my cases, hybrid organizations are still relatively nascent, and were selected based on their unique value orientations to illustrate how companies are able to create multiple forms of value. A final critique of qualitative research is the difficulty in replicating a study, due to the integral role of the researcher as an instrument (Shaffir & Stebbins, 1991). To address this, I have followed Schaffir & Stebbins' (1991) suggestion to use member-checks to validate findings and Creswell (2009) who notes that qualitative researchers must document processes and assumptions to improve replicability (s.3.4).

3.2 Methods

Research methods are the techniques, tools and protocols used in data selection, collection and analysis. In this section I first discuss my choice of methods (s.3.2.1) and then outline the procedures used in data selection (s.3.2.2), data collection (s.3.2.3) and data analysis (s.3.2.4).

3.2.1 Choice of Methods

A multiple case embedded design (figure 3.3), one with embedded units of analysis over multiple cases (Yin, 2003), has been selected as an appropriate strategy to answer the proposed research questions. Case studies allow the researcher to “investigate a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident,” and “to explore those situations in which the intervention being evaluated has no clear, single set of outcomes,” (Yin, 2003, p. 15) as in the case of hybrid organizations. Additionally, Siggelkow (2007, pp. 22-23) notes that “research involving case data can usually get much closer to theoretical constructs and provide a much more persuasive argument about causal forces than broad empirical research can.”

Selecting multiple cases may improve the robustness of the study and reveal a diversity of practices that may differ due to context, yielding data for a critical comparison that may lead to theoretical contributions (Yin, 2003). The primary units of analysis for this study are at the cross-case and organizational levels, with embedded units of data collection and analysis at the individual and group levels.

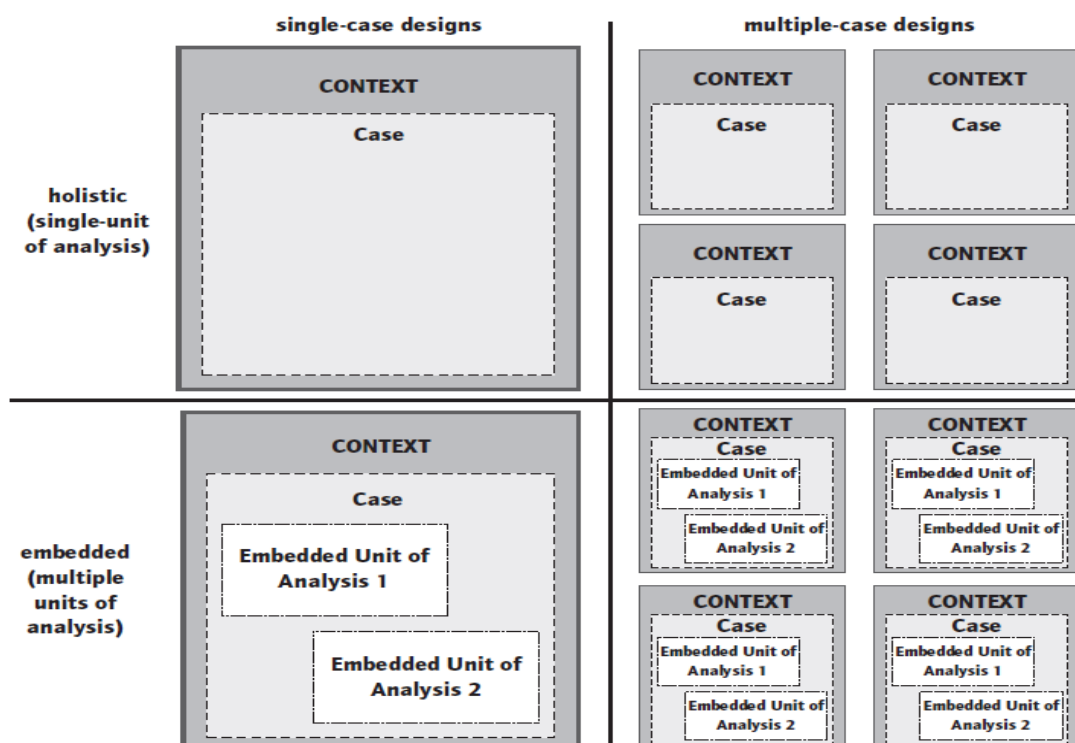


Figure 3.3 Basic Types of Designs for Case Studies (*Source: Yin, 2003, p. 40*)

3.2.2 Data selection

The purpose of this study is to derive theory from empirical examples of hybrid value organizations. Eisenhardt (1989) suggests that to build theory from case studies, four to ten cases should be selected and “one tactic is to select categories or dimensions, and then to look for within-group similarities coupled with intergroup differences” (Eisenhardt, 1989, p. 540). I selected six cases which enabled me to achieve ‘theoretical saturation’, the point at which new insights and information was marginal or incremental (Eisenhardt, 1989).

Yin (2003) suggests that cases are selected for literal replication (similar results) and theoretical replication (contrasting results). In this research project, literal replication is applied by selecting six empirically-derived hybrid organization cases. However, in alignment with theoretical sampling, rather than focus on contrasting or negative case studies, I have approached sampling based on theoretically relevant constructs, namely high social and/or environmental value orientation as well as high financial value orientation.

To derive the larger sampling pool, this study used *mixed purposeful sampling*, (figure 3.4) described as multiple purposeful sampling techniques to arrive at a relevant sample: “because research and evaluations often serve multiple purposes, more than one qualitative sampling strategy may be necessary” (Patton, 1990, p. 181). Beginning with *criterion sampling*, described as meeting some “predetermined criterion of importance,” (Patton, 1990, p. 177) the target companies were screened for political and economic consistency selecting case studies limited to Australia. Next, *intensity sampling* logic was utilized to “seek excellent or rich examples of the phenomenon of interest, but not unusual cases” (Patton, 1990, p. 172). In using a mixed purposeful sampling technique, I drew on 72 independent third-party sources to identify a sample population (see Appendix 3 for a complete list of sources), including: CSR and sustainability awards; publicly available sector reports; social business registers and databases; sector leaders; intermediary organizations and sustainability indices. Companies from this initial long list were then screened against the other multiple third-party sources to triangulate a population of companies that typify hybrid value orientation and practices, constituting an intense sample of hybrid value companies. This meant that the company with the most third party mentions went to the top of the list, and those with the least mentions, went to the bottom of the list. Next, I considered whether to apply *maximum variation sampling* logic in order to capture variation in practices that may occur due to core offering and industry.

This logic holds that “any common patterns that emerge from great variation are of particular interest and value in capturing the core experiences and central, shared aspects or impacts of a program” (Patton, 1990, p. 172). However, because the most cited cases already represented a highly diverse sample set, this sampling logic did not need to be applied.

This long list provided a ‘target sample population’ with 177 companies identified by third-party sources (see Appendix 4). A copy of the sample population, derived from the process of mixed purposeful sampling techniques described above, is included in Appendix 4.

3.2.3 Data Collection

Following approval from the Monash Ethics Committee—Ethics Approval Project Number CF13/1160 - 2013000576—I began seeking participation from the most cited case in my sample population and then sequentially worked my way down my sample population list to seek participation from the next most cited case until I had obtained agreement from six case study organizations. I initially chose six cases in my sample with the idea that if I had not reached ‘theoretical saturation,’ described by Eisenhardt (1989, p. 545) as the point where “‘incremental learning is minimal,” then I would have selected additional cases. However, after analysing my data, theoretical saturation had been reached. In total, eight organizations were contacted; two did not agree to participate and six organizations were selected as the final sample. Of the two organizations who did not agree to participate, a community-owned wind farm, felt it was under-resourced to be able to offer sufficient contacts and time to participate; and the sustainability manager at a large property development company, felt his team was under too much pressure and would not be able to offer sufficient time to the project. Table 3.1 provides background information on all six participating organisations.

Table 3.1 Case Study Profiles

Company	Industry	Location	Incorporation	Ownership	Revenue
Bankmecu	Banking, Finance	National	Cooperative	Customer- Owned	100% commercial
Ceres Environment Park	Environmental Education	East Brunswick (Melbourne)	Not-for-Profit	Private	95% self-reliant; 5% grants
Goodstart Early Learning	Early Childhood Learning	National	Not-for-Profit	Private	90% self-reliant; 10% grants
National Australia Bank	Banking, Finance	International	For-Profit	Publicly-listed	100% commercial
Small Giants	Private Investment, Family Office	St. Kilda (Melbourne)	For-Profit	Private	100% commercial
STREAT	Hospitality; Jobs Training	Various sites (Melbourne)	Not-for-Profit	Private	70% self-reliant; 30% grants

All case study organizations agreed to be identified; however, participants did not. For this reason, participants are assigned a participant code; participant profiles and participant codes relevant to this study are summarised in Table 3.2. Participants provided individual consent to participate in the interviews and focus groups; the consent form can be found in Appendix 5.

Table 3.2 Participant profiles^a

Case	List of Participant Types of Positions Interview (I), Focus Group (FG)	Company Size (no. employees)	No. Interviewees	No. Focus group participants	No. Survey respondents	Total no. participants	Code	Relationship to the Case
Bankmecu	Consultant, Community Development Team (FG) General Manager, Development (I) Marketing Manager (FG) National Community Development Manager (I, FG) Sustainability Development Manager (FG)	120	2	4 (1 focus group)	2	5*	BM1 BM2 BM3 BM4 BM5	Employee Employee Employee Executive Executive
Ceres	CEO (I) Deputy Chairperson (FG) Sustainability Facilitator, partner organization (FG) Venue Hire and Communications Manager (FG)	140	1	3 (1 focus group)	10	4	CER1 CER2 CER3 CER4	Community Employee Board Member Executive
Goodstart Early Learning	Assistant, Clayton Centre (FG) Casual, Clayton Centre (FG) Centre Director, Clayton Centre (FG) General Manager, Strategic Communications (I) General Manager, Strategic Planning & Dev't (I) General Manager, Strategy (at time of interview) (I) Kinder Assistant, Clayton Centre (FG) Qualified Assistant, Clayton Centre (FG) Qualified Assistant, Clayton Centre (FG) Room Leader, Toddler Room, Clayton Centre (FG) Student, Clayton Centre (FG)	13,000	3	8 (1 focus group)	1	11	GS1 GS2 GS3 GS4 GS5 GS6 GS7 GS8 GS9 GS10 GS11	Executive Executive Executive Employee Employee Employee Employee Employee Employee Employee Employee Intern

Case	List of Participant Types of Positions Interview (I), Focus Group (FG)	Company Size (no. employees)	No. Interviewees	No. Focus group participants	No. Survey respondents	Total no. participants	Code	Relationship to the Case
National Australia Bank	Associate Director CEO, The Difference Incubator (I) Chief Financial Officer (at time of interview) (I) Consultant, Community Finance and Dev't, (I) Director, Government, Education, and Community Business (FG) Government and Community Business, Institutional Banking (FG) Head of Community Finance and Development (I) Head of Energy and Resources Head of Environmental Sustainability, Shared Svcs, Enterprise Services and Transformation (FG) Impact Investment Consultant Manager, Environmental Sustainability Reporting Property and Shared Services (I) Manager, Indigenous Finance & Dev't (FG) Manager, Women's Markets, Strategy and Innovation (FG) Project Director, Natural Value Strategy, Finance and Strategy (I) Sr. Consultant, Community Finance and Dev't (I) Sr. Consultant, Corporate Responsibility Integration (FG)	42,000	7	9 (2 focus groups)	5	16	NAB1 NAB 2 NAB 3 NAB 4 NAB 5 NAB 6 NAB 7 NAB 8 NAB 9 NAB10 NAB11 NAB12 NAB13 NAB14 NAB15 NAB16	Employee Partner Employee Manager Employee Executive Employee Manager Manager Employee Employee Manager Manager Manager Manager Employee Employee

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Case	List of Participant Types of Positions Interview (I), Focus Group (FG)	Company Size (no. employees)	No. Interviewees	No. Focus group participants	No. Survey respondents	Total no. participants	Code	Relationship to the Case
Small Giants	CEO (I) Chief Investment Officer, portfolio company (FG) Director of Portfolio Companies (VC Investments) (FG) Director of Strategy (FG) Employee (FG) Executive Assistant (FG)	7	1	5 (1 focus group)	9	6	SG1 SG2 SG3 SG4 SG5 SG6	Employee Employee Investee Executive Executive Executive
STREAT	Chief Operating Officer (FG) Co-Founder and CEO (I, FG) Consultant, partner organization (FG) Development Mgr., partner organization (FG) General Manager, Finance (FG) Manager, partner organization (I, FG) Marketing, partner organization (FG)	40	2	7 (1 focus group)	4	7*	ST1 ST2 ST3 ST4 ST5 ST6 ST7	Executive Partner Executive Executive Partner Partner Partner
TOTAL			16 interviews	7 focus groups	31 survey responses	49 participants		

^a *Note: participant codes are not mapped to participant positions; participants cannot be identified by codes*

** means one or more interviewees also participated in focus group*

Prior to each interview and/or focus group, secondary data was collected to prepare for the specific site context and conditions. This preliminary data revealed indications of where and how hybrid value was taking place within the organization, which helped me to prepare any site-specific questions to probe any of these areas for further information, perceptions, and details. Background research also helped flag issues of conflict, sensitive topics, and/or contextual dynamics that were either avoided or explored in interviews and focus groups, for example recent or pending changes in leadership or recently announced hybrid value projects or initiatives. Secondary data was mined from: the company website, annual reports, sustainability reports, media coverage, and other public documents.

Qualitative data was collected in person or over the phone via semi-structured interviews that lasted between 30 minutes and two hours with at least one key decision-maker from each organisation. Each case also participated in at least one in-person focus group, which lasted between one and two hours, and was comprised of a group between three and ten key internal and external stakeholders familiar with hybrid value activities of the case. Interviews and focus groups included questions on: the organizational definition of value, visual diagrams depicting how different types of value relate to one another, types of practices organizations undertake to create value, and why cases define value the way they do (see Interview guides in Appendix 1).

The interview and focus group guides, which were initially piloted and revised with academic and industry peers, were developed to cover broad topics to meet the research objectives of this project, drawing from the practices framework derived from the literature (s.2.6, Table 2.6). This framework then acted as a guide during interviews to engage participants on what types of practices they felt created hybrid value. For example, if open-ended questions produced limited responses, participants could be prompted by asking whether they could provide examples of business practices in the areas outlined by the framework, e.g. in the area of operations. A copy of the interview and focus group schedules are included in Appendix 1.

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Interviews and focus groups were audio recorded, and field notes taken; the audio recordings were subsequently transcribed to text and imported to Nvivo software for analysis. Focus group participants were also given worksheets to participate in individual exercises for group discussion, which were scanned and imported into Nvivo software for analysis. All participants received a copy of the transcript from his/her interview and/or focus group and were invited to make any comments or provide feedback.

Following each interview or focus group and on completion of data collection for each case, data analysis took place to perform preliminary within-case analysis, prior to proceeding to the subsequent case (Yin, 2003). This process helped reveal salient trends, patterns, questions or gaps that were explored in the next case (Yin, 2003). I also wrote memos and notes to track emerging thoughts, patterns and codes (Bryman & Burgess, 2002). A sample of these memos and notes is included in Appendix 6.

Participants also provided suggestions for subsequent participants in interviews and focus groups (snowball sampling). To ensure a representative cross-section of views and perspectives, particularly at larger case study organizations, I attempted to elicit participation from individuals in roles not traditionally associated with sustainability or social innovation, for example, CFOs, CEOs, managers of non-sustainability departments, board members, partners, investors and employees in various roles. The exact number of individuals interviewed was determined by: (1) the size and characteristics of each case (e.g. number of key decision makers and relevant population per case); (2) participants' availability or willingness to participate; and (3) whether the case had reached a point of 'data saturation,' where no new information was emerging. In total, I held 16 individual interviews and seven focus groups with a total of 49 total participants across six case studies (Table 3.2).

Following preliminary data analysis and within case summaries, a survey instrument was developed to further clarify responses and to elicit further understanding of participant responses from interviews and focus groups. The analysis of the interview and focus group data determined the questions of the survey. To further understand how case

studies interpret hybrid value, I asked participants to take a survey, using subjective assessments to ‘map’ their organization’s value footprints along five different scales that summarized the different dimensions of value that participants discussed. These value dimensions include: (1) social value; (2) environmental value; (3) financial value for the company; (4) financial value for ‘others’; and (5) ‘other’ value. It should be noted that organizations also had the ability to identify their own value dimensions, which may differ from the five measured in this survey, while still applying the use of the subjective assessment process. Survey participants were provided with definitions of value as follows.

“Social value is defined as value for people, such as relationships, well-being, skills, etc. for the benefit of employees, community members, customers, beneficiaries or other stakeholders. Environmental value is defined as value for nature or the environment, including reduced pollution, species protection, conservation, etc. Financial value for the company itself is defined as monetary value or gains for the company itself. Financial value for others is defined as monetary value or gains for others, for example: employees, beneficiaries, customers, community, etc. Other types of value are defined as other types of value that do not fit into the categories above; for example, spiritual value.” (Excerpt from the survey instrument)

Participants were given the opportunity to disagree with or comment on these definitions with open-ended responses.

Table 3.3 illustrates this Likert scale where participants were asked to subjectively assess the importance of each of five types of organizational value. I then asked participants to assess how much value they perceived their organizations to be creating in practice today, using the same types of value and Likert scale illustrated in Table 3.3. I was able to take the results from these two questions along five types of value to derive subjective assessment scores for organizational ‘aspiration’ (how important it was to create value) and ‘practice’ (how much value is actually being created).

Table 3.3 Likert scale subjective assessment tool example

On a scale of 0 to 10, where 0 is not important at all and 10 is extremely important, what number would you use to rate how important it is for the organization to create the following types of value:														
#	Question	Not important at all 0	1	2	3	4	Moderately important 5	6	7	8	9	Extremely important 10	Total Responses	Mean
1	Social value													
2	Environmental value													
3	Financial value for the company itself													
4	Financial value for others													
5	Other types of value													

Survey participants were asked to rank on a subjective scale from 0-10 (responses weighted at 1-11) how they felt their organizations would rank based on organizational value aspirations as well as how they would rank based on practical achievements or demonstration of value. Chapter 7 and section 9.5 (fig. 9.9) present a summary of survey results.

The survey was piloted with three individuals independent of the study who provided feedback for revision. The final survey was circulated via an email link to the survey questions hosted on Qualtrics software to all interview and focus group participants and was open for a period of one month. For a copy of the survey instrument, see Appendix 2. In this period, I obtained a 63% response rate with 31 survey responses from a possible 49 participants (Table 3.2).

Survey results were reviewed to identify whether aspirational and practice scores highlighted tensions in the ability of organizations to translate value concepts (discussed in Ch.5) into organizational practices that deliver upon these hybrid value ideals (discussed in Ch.7). Where a significant gap between practice and aspirational scores existed, qualitative interview and focus group data was screened to gain further insight.

3.3 Data Analysis

3.3.1 Data Analysis Techniques

Several techniques, compatible with thematic analysis, were utilized to analyse data. The first stage of analysis included listening to audio-recorded interviews and focus groups, transcribing the audio to text and noting initial reflections in the form of memos. The transcripts, including participant worksheets were read and re-read. These transcripts were imported into Nvivo software, where codes and categories were developed to help me examine similarities and data trends. These codes were then used to develop categories or sub-themes and progressively a smaller number of themes emerged. These themes formed the basis for propositions and constructs that were then integrated into a series of empirically-derived models of hybrid value.

Matrices were also used to help organize and pattern match data, particularly in cross-case analysis (Miles & Huberman, 1994) . In particular, I used matrices to organize data and assign codes to the long list of 200 ‘practices’ that emerged from participant data to describe the activities or implementation approaches organizations were taking to creating hybrid value (objective 3, s.2.7) (Chapter 7; Appendix 8).

Finally, the emergent themes and propositions were compared with the literature in order see how emergent theory could inform the extant literature and how the extant literature informed and provided context for the emerging theory. Eisenhardt (1989) notes how this process of connecting to the extant literature enhances internal validity, generalizability and theoretical contribution.

3.3.2 Coding

All transcribed data, notes, and worksheets were imported to Nvivo software for thematic analysis. The strategies for analysing data followed Braun & Clarke’s (2006) steps for thematic analysis and included: reflecting on the data in order to analyse data while data collection continues; engaging in an iterative process between data and emerging findings; assigning codes to organize data into meaningful categories; sorting codes into higher level themes; reviewing and refining themes to consider validity and

relevance of emergent themes; extracting the ‘essence’ of what each theme is about; and organizing these themes into a coherent story.

The data analysis stage began with open coding (Corbin & Strauss, 2008) of transcribed texts from interviews and focus groups, which involved reading the text and assigning codes or names in Nvivo software to describe the phenomena in the text, thus providing labels for raw data. This process follows Patton’s (1990) ‘analyst-constructed typologies,’ which relies on the ability and interpretation of the researcher to flag significant issues. These first order labels or codes emerged from the data, as I read the texts, continually asking what the text was about or what was being said. I created memos to note important points raised or issues which seemed interesting during the reading and writing of the interview transcripts (Glaser, 1978). These memos (see Appendix 6) included descriptions of codes, or code notes, as they emerged. As coding continued, categories were assigned or created to group together related codes. I then progressed with axial coding, selective coding and thematic analysis to understand how codes and categories related to one another, leading to the emergence of five themes. Axial coding is a “set of procedures whereby data are put back together in new ways after open coding, by making connections between categories” (Strauss and Corbin, 1990, p. 96). In axial coding, open codes are reorganized and related to identify patterns and relationships in the form of categories. In selective coding, the researcher undertakes thematic analysis, or the process of analysing the data for salient overarching themes. Selective coding (Strauss & Corbin, 1990) requires the identification of core themes that summarize trends and patterns, revealing the salient elements that will later be organized into concepts and propositions that lead to theory development. This stage of data analysis led to five themes that encompassed 33 categories and 281 codes (Appendix 7).

Table 3.4 is a summary of these five key themes that emerged from the data coding and how they relate to the research objectives (see s.1.2). The five themes are: (1) value concept; (2) value model; (3) practices; (4) enabling environment; and (5) outcomes. For a comprehensive list of codes, categories and themes, see Appendix 7. Each of the five themes is described in the section below.

While the organization of the themes, categories and codes may give the impression that the coding process was quite linear, in fact, it followed a very cyclical and iterative process where I alternated between immersing myself in the data, reading texts, listening to audio recordings, reviewing notes, and analysing data by making memos, interpreting meaning, assigning codes, and revisiting the data to reflect on thematic patterns and relationships between and amongst emerging codes and categories.

Table 3.4 Key Themes from coding qualitative data

Themes	Brief Definition	Sample Categories	Research Objective(s)
<i>Value Concept</i>	What companies mean when they discuss value. This theme includes: definitions of value; beneficiaries/recipients of value; and challenges that arise with hybridized value concepts.	<ul style="list-style-type: none"> • <i>Definition</i> • <i>For whom is value created</i> • <i>Challenges</i> 	1
<i>Value Model</i>	Visual diagrams that explain relationships amongst component values (social, environmental, financial).	<ul style="list-style-type: none"> • <i>Conceptual Model</i> • <i>Limits and Thresholds</i> • <i>Value Relationships</i> • <i>Value Scores</i> 	1, 2
<i>Practices</i>	‘Practices’ describes the actions or processes that participants cited as those that create value. This	<ul style="list-style-type: none"> • <i>Culture</i> 	3, 4

	theme was derived from a number of categories, which, in turn, emerged from aggregating nodes that captured these routines, rules, cultural aspects, interpersonal behaviours and tendencies, structures, mechanisms, and functions within the case studies.	<ul style="list-style-type: none"> • <i>People</i> • <i>Relationships</i> • <i>Rules</i> • <i>Structure</i> • <i>Mechanisms</i> • <i>Departments</i> • <i>Capabilities</i> 	
<i>Enabling Environment</i>	The drivers or enabling factors that lead organizations to orient towards blended value.	<ul style="list-style-type: none"> • <i>Individual Values</i> • <i>Additional Value</i> • <i>Legislative and Normative Pressures</i> • <i>Social/Environmental/Financial Need</i> • <i>Inputs/Resources</i> 	2, 1
<i>Outcomes</i>	The goals, measurement, impact, verification and end results that arise from the blended value strategies and practices organizations are undertaking.	<ul style="list-style-type: none"> • <i>Agency</i> • <i>Prove the Model</i> • <i>Employment</i> • <i>Feel Good Factor</i> • <i>Stability</i> • <i>Measurement</i> • <i>Scale</i> 	3, 4, 2, 1

3.3.2.1 Summary of coding notes to derive themes

Theme 1: Value Concept

Theme 1 captured what participants meant when they discussed value. In this theme, participants were discussing how their organizations interpret and define value, how they conceptualize hybrid value, for whom they are attempting to create value, and some of the challenges they are confronting as they embrace a hybridized notion of value. This particular theme helped answer the first research objective (s.1.1), which is to understand what companies mean by value. This theme was derived by aggregating categories, such as definitions of value and challenges with the value concept. These categories, in turn,

emerged by grouping first order codes. For example, definitions of value included codes such as: intrinsic value, language and terminology, terminology, typology, and value.

Theme 2: Value Model

This theme emerged as participants discussed the way they perceived the interconnectedness or relationship amongst component values (social, environmental, financial). The term ‘value model’ referred to the visual diagrams and associated concepts that participants referenced to explain concepts of plural or hybrid value.

Initially, I presented one diagram, depicting hybrid value as a linear continuum with financial value on one end of the continuum and social and/or environmental value on the other end of the continuum, thereby framing hybrid value as a trade-off to be balanced (adapted from Alter, 2004) (see s.2.3.3.1, fig.2.4) to stimulate discussion in interviews and focus groups. Using constant comparison, where data are collected and analysed simultaneously, and theoretical sampling, where data is collected based on the theory emerging (Glaser & Strauss, 1967), as participants accepted, rejected, or reconceived value diagrams, the emergent re-drawn models were included for discussion in subsequent interviews and focus groups. The visual diagrams that emerged during data collection and data analysis form the basis for the ‘value model’ theme and help address the first and second research objectives (s.1.1). These visual models also informed questions for the development of the survey instrument.

The categories from this theme included observations on the value components and relationships amongst component values discussed in value models. These included categories such as: conceptual model, limits and thresholds, value relationships and value scores. For example, when participants discussed how their organizations met financial minimum requirements that could then trigger investment into social value initiatives, this was coded as ‘financial minimum.’ When participants discussed ‘upper limits’ where surplus profits should be invested to create more social and/or environmental value, this was coded as ‘financial threshold or upper limit.’ These types of codes were rolled up into the category of ‘limits and thresholds,’ which constitutes one category in the value model theme.

Theme 3: Practices

Theme 3 answered the third and fourth research objectives (s.1.1). This theme had the largest number of categories, codes, and references ascribed to it (Appendix 7). The data from this theme were further organized into categories of: culture, people, relationships, rules, structures, and mechanisms.

I now provide a brief definition of each of these categories to describe my observations of the data. ‘Culture’ refers to the values, norms, beliefs, habits, and systems that define meaning, in this case, that speak to hybrid value, within an organization. ‘People’ refers to key individuals and groups, such as the entrepreneur/intrapreneur, community, and teams and the traits, characteristics, values, and behaviours that are ascribed to them in the context of creating hybrid value. ‘Relationships’ refers to the association and interconnectedness of the case studies to other organizations, groups, and individuals; this category reflects how these relationships embody hybrid value. ‘Rules’ refers to standards, structures, and principles that guide action or behaviour in relation to how hybrid value is created. ‘Structure’ refers to organized systems, such as business models, governance systems, or incorporated form that reveals meaning about hybrid value. ‘Mechanisms’ refers to methods, procedures, mechanics, and agency involved in guiding activities or behaviours that produce hybrid value. ‘Departments’ refers to parts of the organization that oversee particular responsibilities, such as operations, finance, and communications.

Each of these categories speaks to the theme of ‘practices’ to describe what activities or actions case studies take, as described by participants, to bridge the aspiration or idea of value to the outcome of value creation. Although this theme of ‘practices’ addressed the second research objective, in some cases, this data also helped address the first and third research objectives by revealing elements of what is meant by value, who benefits from value, and why companies engage in hybrid values strategies.

Theme 4: Enabling Environment

This theme addressed the second research objective (s.1.1). The data in this theme revealed the drivers or enabling factors that lead organizations to orient towards hybrid value. For example, when asked why their organizations were engaging in hybrid value strategies, nearly half of all participants from across cases used a phrase akin to, “it’s the right thing to do.” In reference to this line of questioning, participants also discussed morality, ethics, and personal values such as love, compassion, and made reference to spirituality, religion, and philosophy. These types of responses were assigned first order codes such as love, morality, ethics, spirituality, feel-good factor, etc. These codes were then aggregated into the category of ‘individual values,’ which in axial coding was identified as a driver for organizations orienting toward hybrid value, reinforcing the emergence of the fourth theme, ‘enabling environment.’

Another category that emerged from grouping first and second order codes was ‘additional value,’ which explained that some companies engaged in blended value to seek extra or additional layers of value once a threshold or minimum requirement had been met or as a way to enhance an organization’s primary value. For example, companies that are driven by enlightened self-interest might see social and environmental value as contributors to financial value via proxies of reputation or brand value. This may also be the case for companies who wish to maximize social impact at all cost and see financial value as a means to an end, an enabling tool to gain additional social value. Other observed drivers included ‘legislative and normative pressures’, such as those experienced by the value orientations and expectations of consumers and employees or the regulatory requirements set out by governments. And, finally, participants felt their organizations were motivated by a ‘need’, driven by issues of social injustice, environmental degradation, or financial viability. Each of these categories constituted the theme of ‘enabling environment.’

Theme 5: Outcomes

The final theme encompassed the goals, measurement, impact, verification and end results, that resulted from the hybrid value strategies and practices organizations were undertaking. It was derived from three categories, including: (1) for whom is value

created; (2) indicators or outcomes; and (3) measurement. An example of first order codes in the category ‘for whom is value created’ included: beneficiaries, customers, for whom is value created, investors, and stakeholders. This theme referenced all four research objectives (s.1.1).

These themes formed both a template for organizing and presenting within-case summaries as well as a foundation to conduct cross-case analysis as well as a starting point to derive propositions and constructs for building theory.

3.3.3 Within-Case Analysis

Within-case analyses were performed so that I could summarize and intimately understand the complexities and dynamics of each individual case before undertaking a cross-case analysis (Miles & Huberman, 1994; Yin, 2003). Although there is no standard approach for within-case analysis, Yin (2003) suggests writing a summary of each case in a way that allows each individual case to be examined and the researcher to become intimately familiar with each case, allowing the unique patterns of each case to emerge before investigators push to generalize patterns across cases. As I began to write up each case, I quickly found that organizing the cases into similar formats would help during cross-case analysis and began to analyse each case in order of themes (Table 3.3). While each case held unique perspectives on each theme, this thematic organization helped to distil and present salient findings in a fairly consistent and more easily comparable manner. At this stage, I began to re-engage the literature, as I was interpreting findings, searching for relevant theoretical lenses to help make sense of my emergent findings in accordance with the iterative nature of abductive research and thematic analysis that requires the emergent theory to relate back to the extant literature.

3.3.4 Cross-case Comparison

At the stage of cross-case comparison, I looked thematically at the relationships within and between cases to finalize selective coding, the process of generating propositions from categories and themes.

Eisenhardt (1989) suggests three tactics for analysing cross-case patterns, including: (1) selecting categories or dimensions and looking for within-group similarities and intergroup differences, (2) selecting pairs of cases and listing similarities and differences between each pair, and (3) dividing data by data source.

Following the first and second of Eisenhardt's (1989) tactics, I first conducted cross-case analysis by working along the five themes (Table 3.4) and looking for within-group similarities and intergroup differences to make inferences and determine what generalizations could be made. As I reapproached the data by pairing cases, Eisenhardt's (1989) second tactic, I grouped together cases by approximate size and cultural 'feel'. This led me to group STREAT with Small Giants; both organizations are highly entrepreneurial, relatively small and highly guided by individual values. I then paired NAB and Goodstart; although these are very different organizations, they are both large national institutions with multiple branches and tens of thousands of employees, creating some similar institutional characteristics. My final pair was CERES and Bankmecu, small to medium-sized institutions that are highly members-driven.

During cross-case analysis, I developed a spreadsheet to analyse 200 'practices' (theme 3; Table 3.4) that participants detailed in interviews and focus groups to describe how their organizations were implementing practice-based evidence of creating organizational hybrid value. I coded this list (Appendix 8) first to categorize the types of practices that participants described. Table 3.5 illustrates this list of codes that emerged under the theme 'practices' to categorize the types of practices that participants described. There were six categories that emerged under the 'practices' theme to describe how participants described organizational practices that led to hybrid value: (1) culture; (2) departments; (3) mechanisms; (4) people and relationships; (5) rules; and (6) structures. I then assigned an alpha-numerical code to each sub-category of practice to describe the general type of practice described by participants. For example, under the category of 'culture,' ten codes emerged to describe cultural practices that create hybrid value relating to: (C1) relationships; (C2) employee benefits; (C3) values; (C4) intuitive and entrepreneurial cultures; (C5) staff relationships; (C6) visionary cultures; (C7)

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workplace; (C8) intimacy; (C9) multi-culturalism; and (C10) knowledge sharing and learning. I did this for each of the six practice categories and noted which case studies cited practices in each of these practice areas, tallying the total number of citations that related to each practice category and code (Table 3.4). I describe each of these codes and categories in my findings and analysis chapter related to how organizations are creating hybrid value (Chapter 7).

I then coded my list of 200 practices by identifying what specific types of component values were being created (Appendix 8). I analysed and specified what type of social, environmental, financial or internal value was being created. For example, for a practice that appeared to create social value, I coded the practice to create relationship value by engaging employees or customers or value that helped a company meet a social need by addressing areas of unemployment or homelessness.

After coding for value types, I then revisited the spreadsheet and coded the types of institutional logic that corresponded to each value. For example, where companies were trying to minimize costs by saving on energy consumption, environmental value was interpreted as resource efficiency and was coded as market logic (s.2.5.1; Chapter 7). Whereas environmental value being framed as ecological health, by reducing pollution or emissions, was coded as social welfare logic (s.2.5.1; Chapter 7).

Table 3.5 Organizational practices leading to hybrid value coding tally

(BM=Bankmecu; CER=Ceres; GS=Goodstart; NAB=National Australia Bank; SG=Small Giants; ST=STREAT)

Category	Code	Title Practice	BM	CER	GS	NAB	SG	ST	Total
CULTURE	C1	Relationships					x		1
	C2	Employee Benefits	x				x		3
	C3	Values	x						6
	C4	Entrepreneurial					x		2
	C5	Staff relationships	x				x	x	4
	C6	Visionary					x		3
	C7	Workplace					x		2
	C8	Intimacy					x	x	2
	C9	Cultural diversity			x				1
	C10	Learning			x	x			3
DEPARTMENTS	D1	Communications	x	x		x		x	12
	D2	Finance	x	x	x	x			9
	D3	HR	x	x	x	x	x	x	23

	D4	Operations	x		x	x	x	x	8
	D5	Sales and Marketing	x						2
	D6	Strategy	x	x	x	x	x		16
	D7	Supply chain		x	x	x		x	5
MECHANISMS	M1	Measurement	x	x	x	x	x	x	13
	M2	Value swapping	x			x	x	x	9
PEOPLE and	P1	Leadership				x		x	2
RELATIONSHIPS	P2	Commitment				x			1
	R1	Community	x	x			x	x	9
	R2	Customers	x	x	x			x	6
	R3	Employees					x		1
	R4	Investors			x			x	2
	R5	Partners	x	x	x	x	x	x	17
	R6	Beneficiaries		x				x	2
	R7	Competitors			x				1
RULES	RU1	Mission or purpose	x	x		x			3
	RU2	Time horizon	x				x		2
	RU3	Operational procedures		x			x		2
	RU4	Policies		x					1
	RU5	Stakeholder eng.		x					1
	RU6	Tacit rules			x				1
	RU7	Beneficiary-driven			x		x	x	3
	RU8	Decisions				x	x	x	8
	RU9	Incentives				x			2
	RU10	Thresholds					x		1
STRUCTURE	S1	Business model	x	x			x	x	6
	S2	Ownership model	x						2
	S3	Governance and legal				x		x	2
	S4	Systems and processes				x			1
									200

I finalized coding this spreadsheet by deducing outcomes that may result from these types of practices. For example, creating a community investment program is likely to result in improved community well-being. Or co-creating products with customers is likely to result in customer engagement. I analysed these outcomes based on the types of logic coded to each practice to arrive at the dominant logics ascribed to hybrid value outcomes (s.2.5.1; Chapter 7). Table 3.6 provides an example of my coding process to identify the types of value, dominant logics, and possible outcomes derived from my participant list of organizational hybrid value practices. A complete list can be found in Appendix 8.

Table 3.6 Example coding of ‘practices’

Chapter 3 Research Design

(C=Community logic; M=market logic; SW=social welfare logic; I=intrinsic logic)

Case	Code	Social Value	Environmental value	Financial value for company	Financial value for others	Internal value	Outcomes	Value relationship
BM	D1	C	-	M	-	I	profits, employee engagement	Enabling value
CER	RU4	C	SW	-	SW	I	care, diversity, community well-being	TBL
GS	R4	C	-	SW	-	I	profits, community well-being	Internal value
NAB	M1	M	M	M	-	-	profits, employee engagement	Enabling value
SG	C5	C	-	M	-	C	profits, employee engagement	Internal value
ST	S1	SW	C	SW	SW	C	autonomy, resilience, inclusion	Internal

The process of coding and analysis led to the derivation of my theoretical model, overlaying institutional logics, component values and outcomes (Chapter 8). I then took the data specific to each case study and plotted them on this model (Chapter 8). In order to plot each case, I gave each company a set of scores, tallying the number of times each logic was ascribed to each component value. For example, Bankmecu had 7 practices that displayed characteristics of a market logic social value, 0 practices with intrinsic logic social value, 24 practices with community logic social value, and 4 practices with social welfare social value. I then used these coordinates to roughly ‘map’ the value footprints of each case study to my model (see Chapter 8). And finally, in Chapter 9, I extended this exercise to map each case study by the types of outcomes (theme 5, Table 3.4)

participants had described their organizations as seeking and plotted those outcomes as they related to the two most dominant intersecting institutional logics that had been coded to these outcomes (Appendix 8). I noted the practices described by participants that led to these outcomes that organizations were already undertaking. I then over-laid the practices described by participants of other case studies to demonstrate how these outcomes were achieved by other cases.

During this entire process of cross-case analysis, I began to iterate between my findings, the literature, and individual case summaries to identify how my findings contribute to the literature and the implications or significance of my work as it relates to the work of others.

3.4 Research Quality and Validity

There are a number of criticisms relating to the weaknesses of qualitative research, relating to reliability and validity. Reliability refers to the stability of findings, whereas validity refers to the truthfulness of findings (Altheide & Johnson, 1994). According to Lincoln & Guba (2000), there are four constructs to defending the value and logic of qualitative research, including: (1) credibility; (2) transferability (external validity); (3) dependability; and (4) confirmability.

Credibility is described as a goal to demonstrate that the inquiry is accurately and credibly identified, selected and described to the subject. “The strength of the qualitative study that aims to explore a problem or describe a setting, a process, a social group, or a pattern of interaction will be its validity” (Marshall & Rossman, 1995, p. 143). Thus, they describe that the parameters of the setting, population and theoretical framework are the boundaries of the study and determine validity. In this research project, the concepts under-pinning the interview, focus group and survey questions, were designed to answer the research question and meet the research objectives. Piloting the data collection instruments provided checks of credibility (Yin, 2003). Further, I sought to enhance

credibility by using multiple sources of data and establishing a chain of evidence through codes, categories, themes, memos and tables.

Transferability, sometimes described as external validity, suggests that the burden of demonstrating applicability of one set of findings to another context rests more with the investigator who would make that transfer than the original (Lincoln & Guba, 2000). This is largely due to the difficulty of transferring or generalizing from one qualitative study to another setting. Yin (2003) describes external validity in case study research as creating an appropriate domain or population to which the study's findings may be generalized. As is common in case study research, due to limited time and scope and availability of participants, I was only able to select six cases, creating limitations on the generalizability or transferability of findings. However, as I selected cases with varied organizational characteristics, such as size, industry, and ownership model, my findings can be more generalized to a larger hybrid organization population as opposed to being applicable only to one of these dimensions, for example, only to financial institutions or only cooperatively-owned hybrids. By comparing cases across these different organizational dimensions, I have strived to improve external validity, focusing on the theoretically-sensitive variable of interest, hybrid value orientation.

Lincoln & Guba (2000) suggest that data triangulation and linking to extant concepts and theories increases external validity. As mentioned, I have attempted to triangulate data via multiple sources, including interviews, focus groups and a survey (Creswell, 1998; Miles & Huberman, 1994). These tools have allowed me to ask the same question in multiple ways, using different tools and different wording to collect attitudes on the same phenomena. I have also sought participant verification through in-member checks (Creswell, 1998) as I have asked participants to review transcripts and provide any comments or feedback. Finally, I have related empirical findings to extant literature to improve the external validity of findings (Lincoln & Guba, 2000).

Dependability refers to the attempt to account for changing conditions in the phenomenon as well as changes in the research design. In this chapter, I have attempted

to detail how I dealt with the salient changes I encountered, namely when case studies chose not to participate in the study (s.3.2).

Confirmability describes how the findings of the study should be able to be confirmed by another; this is also referred to by Yin (2003) as ‘reliability’ to demonstrate that a study’s operations or data collection procedures can be duplicated with the same results. I have attempted to increase confirmability and reliability by documenting my procedures and operationalizing as many steps as possible (Flick, 2009; Yin, 2003). Reliability can also be enhanced if several people comment on the same phenomenon; an approach I have employed by collecting the views of 49 individual participants. In specific relation to the survey, I have attempted to address the reliability of survey questions by (1) piloting the survey to reduce word ambiguity and ensure the meanings were clear and consistent across participant groups; (2) keeping the response choices uni-dimensional, dealing with only one issue per question; and (3) ensuring response choices were presented in order (Fowler, 2009). Because the survey was not used to collect quantitative data and was circulated to participants already known to the study, I have not addressed sampling error or bias associated with non-response.

Finally, Jenkins (1998, p. 240) proposes that a more appropriate approach to validity is to ask: “Have we allowed the respondent to respond in a way which is salient and meaningful to him or her?” In attempting to remain objective as a researcher, I strived to avoid leading questions and did not indicate a theoretical position to participants. I also attempted to interpret participants’ responses without imposing any previously held notions of what value might mean or how or why companies create hybrid value. By offering anonymity to participants, as well as by building a comfortable rapport with participants, I have also sought to improve the likelihood of the truthfulness of respondents. “Data collection and analysis have traditionally called for ‘objectivity.’ However, Guba & Lincoln (1998) articulate that objectivity in qualitative research is a myth. Researchers bring to the research situation their particular paradigms, including perspectives, training, knowledge and biases; these aspects of self then become woven into all aspects of the research process” (Corbin & Strauss, 2008, p.32). I acknowledge

that both the participants and I inevitably brought some element of cognitive biases to bear. Finally, in the presentation of my results, I have provided thick, rich descriptions (Glaser & Strauss, 1967; Creswell, 1998; Corbin & Strauss, 2008) and used participant quotes to allow, as much as possible, the participants to speak for themselves “to reveal the patterns of meaning by which they understood their own experiences” (Lawrence, 2002, p73).

I have strived to enhance the research quality and validity of my study, providing reasonable evidence that my findings have emerged from the empirical findings, illuminating clear conclusions, having developed models and propositions that can be extended to a wider population of hybrid value organizations beyond my case studies (Chapter 5-8), and outlining boundary conditions (Chapter 2). I have provided details and evidence outlining the multi-stage coding process and analytical steps that have led to the development of my empirically-driven theoretical model (Chapter 8).

3.5 Presentation of Results

Consistent with an abductive approach, intertwining data and theory (s.3.1), I have presented my results integrating findings with analysis across three chapters (Chapters 5, 6, and 7) and tie these together to derive a conceptual framework in chapter 8. In chapter 5, I present my findings and analysis to address the first research objective, exploring what is meant by hybrid value. In chapter 6, I address the second research objective, revealing the drivers of organizational hybrid value, as described broadly across three categories of responses provided by participants. In chapter 7, I present findings and analysis related to how hybrid value is created, meeting the third research objective, detailing the organizational practices participants cited as those that create hybrid value.

I then draw on these three findings and analysis chapters (Chapters 5-7) to derive my conceptual framework in chapter 8 to demonstrate how components of hybrid value are interpreted through the lenses institutional logics and how hybrid value outcomes result as a combination of various logics. In chapter 9, I build upon this framework to offer

managerial implications, describing how case studies can assess which of their practices lead to their expressed desired outcomes, how they can learn from other case studies based on how those practices lead to the same shared desired outcomes, and how organizations can engage stakeholders to assess value creation through a subjective assessment tool piloted in my survey.

Chapter 4 Case Study Overviews

This chapter provides an overview of each of six Australian case studies engaged in this research project (for details on case selection, see Chapter 3). I provide an introduction about each case study to describe who they are and what they do, and I offer brief background information about how they got started. I then discuss how each company is defining value, providing a segue for the next chapter (Chapter 5) that analyses what these companies mean by hybrid value.

Section 4.1 provides an overview of a non-profit hospitality and youth services social enterprise, STREAT. In section 4.2, I cover Small Giants, an impact investment firm with a long-term growth agenda for its values aligned portfolio companies. In section 4.3, I discuss how Bankmecu, a customer-owned cooperative bank, draws on its customers' values to inform the way it approaches value. In section 4.4, I summarize the transition for environmental education non-profit, CERES, as it attempts to become more autonomous and financially self-sustaining. Section 4.5 provides an overview of Goodstart Early Learning, Australia's largest early learning franchise, which was bought out by four large Australian non-profit organizations to run a large-scale commercially oriented not-for-profit business that aims to address social issues such as social exclusion and childhood development for marginalized populations. I conclude this chapter with section 4.6, an overview of a publicly listed 'big 4' bank, National Australia Bank (NAB), which is also in transition about the way it approaches value from shareholder value only to a broader and more institutionalized definition of value for multiple constituents.

4.1 A case study of a non-profit social enterprise, STREAT



Fig. 4.1 200 most frequently cited words across interviews and focus groups with STREAT

STREAT is a food service social enterprise based in Melbourne, Australia, that works to provide employment pathways to homeless young people with support services and hospitality industry training through its commercially run cafés, coffee roasting, and catering businesses. One hundred percent of its profits are channelled into its social mission of supporting homeless young people. STREAT carries out intensive intervention with bundling and wrap-around services to help young homeless people, aged 16-24, secure more stable homes, more stable jobs, and more stable lives. Each young person is supported with tailored services that address the complex nature of his/her disadvantage, which often includes support from partner organizations as well as jobs training, rotating through STREAT's cafés and catering businesses. Throughout this process, STREAT aims to deliver quality food and beverages through a sustainable supply chain and conscious operations. STREAT is registered as an Australian charity and has been given Deductible Gift Recipient (DGR) status.

The concept for STREAT was born from the diverse experiences of co-founders Rebecca Scott (Bec) and Kate Barrelle (Kate), including inspiration from their work in 2004-06 at KOTO, a Vietnamese restaurant, providing life and job skills to Vietnamese street youth. In 2008, Bec and Kate piloted their social enterprise concept with mobile food vending carts in Melbourne, Australia, after securing initial philanthropic funding for a feasibility study. By 2010, STREAT had successfully secured support from diverse sources, including philanthropic funds, government jobs funds, industry intermediary support groups, and a range of partnerships to successfully launch their social enterprise. As of fiscal year 2013, STREAT has managed to support over 180 young people through its training and support programs and has achieved over 70% self-reliant funding from three café sites across Melbourne, a coffee roasting business, and a catering company. STREAT has also recently been given a \$2.5 million manor in an inner-city suburb of Melbourne for 50 years on peppercorn rent, which it hopes will allow STREAT to scale up its business model and impact.

A co-founder of STREAT has the background of someone who is *"always building"* [ST1] and working with *"zero resources"* [ST1] to make things happen by pulling different people, ideas, groups, and resources together. She brings together her previous ten years of management experience at a large-scale scientific research institute with Commonwealth Scientific and Industrial Research Organisation (CSIRO) and her intra/entrepreneurial tendencies and skills of project management, facilitating collaboration, and complex problem solving (*"If we're going to do something, let's make it hard."* [ST1]) to create a 'response' to a social enterprise where she worked on homelessness in Vietnam. She draws on her diverse perspectives, experiences, skills and interests to create STREAT, a business model she sees could be applied to address any number of social issues, but has chosen homelessness because it seems like *"such a basic human right"* [ST1] and such a complex problem that involves so many systemic challenges that have previously not been solved. She felt like this was the most extreme end of disadvantage that was a *"moral issue too big to walk away from"* [ST1].

This co-founder mentions that all of her previous entrepreneurial ventures and projects have required collaboration with groups that traditionally have not worked together or come from the same discipline. She refers to her role as not only manifesting the idea but largely in being able to facilitate and influence disparate groups of people to come together to create something new. This idea of bridging different groups across disciplines to create something new is, in part, what makes her a social entrepreneur, someone able to mobilize and facilitate resources and value in a complex environment to address a complex social issue of disadvantage (Elkington & Hartigan, 2008; Zahra, et al., 2009).

It is also her attraction to complex problem solving that, in part, defines her as a social entrepreneur (Bornstein, 2004; Leviner, et al., 2005; Zahra, et al., 2009). In my interview, she discusses how the problems we (as a society) haven't solved are some of the most complex, which is probably why we haven't solved them. She acknowledges that there are layers and relationships and interconnectedness or complexity in the social issues or problems of focus as well as the underlying components, i.e. the circumstances of the young people STREAT hopes to support. As she describes,

So, what we're doing is assessing all of those things and trying to understand the level of complexity for this young person, and we're working on a six month case plan. So, what are the most critical things we need to get stabilized for you? And these things, you know, the reasons that you're unemployable, we need to, address them very quickly. [ST1]

She goes on to talk about the complexity at many levels that requires individual or personalized attention—intensive intervention.

Preliminary reflection on the data suggests that one of the challenges in working with a model of intensive intervention to address a complex social problem is that it has the potential to conflict with another common ambition of social entrepreneurs (Leviner, et al., 2005), and certainly an ambition of STREAT's co-founder: scale. *"One of the things*

that set STREAT apart from many other social enterprises is our desire to scale. And, scaling is in our DNA, so it's why our model looks quite different to other models."

[ST1] The co-founder cited scale numerous times throughout her interview and participation in a focus group as a key component of why STREAT was created. She is highly motivated to build a scalable business model to address a complex issue of disadvantage as well as to prove and share the model. She also feels that her exposure to and experience with large-scale projects and organizations during her time at CSRIO have given her a skill set that can be applied in her current social enterprise venture (self-efficacy). STREAT is attempting to build a high volume (large scale) model with a *"short, sharp intervention"* [ST1]. In this type of model, STREAT is tackling the hardest part of the intervention and then letting its young beneficiaries leave with greater stability and as more job-ready to begin anew somewhere else. So, in this sense, STREAT is always starting over, requiring with each intake of youth, a fresh set of resources, energy, and commitment. This model relies on constant passion, energy, zest, and commitment of resources. This high-intervention, high-turnover model may prove to be challenging to scale both because of the requirements from staff that may be prone to burn-out and the constant need to personalize and tailor resource-intensive service design and delivery. There is a question as to whether the desire for scalability is in practice conflicted by the intensive intervention required, that each young person requires individual attention to navigate the nuances and complexities of his or her circumstances that have led to homelessness, and each of these interventions has to be uniquely re-crafted with each intake of new youth.

STREAT is a self-described social enterprise, a term that broadly refers to a business with self-funding revenue streams that enable social impact (Alter, 2004; Dart, 2004). STREAT clearly articulates that financial value is an enabling factor to create social value, its real purpose for being, a business model reflective of the literature on social enterprise and social business (Alter, 2004; Yunus, 2010). STREAT also believes that its business is built upon *"three pillars: people, profit, and planet,"* [ST1] reflecting hybrid definitions of value that may include blended value (Emerson, 2003a), shared value (Porter & Kramer, 2011), and triple bottom line (Elkington, 1997). Figure 4.1 reflects the

200 most commonly cited words in participant interviews and focus groups when discussing value at STREAT, demonstrating that participants referenced words from these different areas, represented by words like: value, social, people, business, and community.

While STREAT is attempting to maximize the ‘people’ dimension or social impact, it strives to minimize its environmental impact or do less harm to the ‘planet’ dimension; and ‘profit’ or financial value is seen as a mediating value to maximize social impact. The value concept at STREAT reflects a holistic notion of value, where value sub-types, such as people, profit, and planet are connected and part of a positive-feedback relationship or ‘*virtuous circle*’ [ST1]. This non-divisible type of value is reflective of the concept ‘blended value,’ a term coined by Emerson (2003b) to mean a whole notion of total value, comprised of social, financial, and environmental value, whereby if one value sub-type is neglected, total value is compromised or value is ‘left on the table’.

The overarching aim of this study is to understand how blended or hybrid value can be created, given there are potentially conflicting or competing logics that underpin each value sub-type. For example, when STREAT approaches each pillar with a different value creation strategy (i.e. minimizing negative environmental value; maximizing social value in its own right; maximizing financial value to a limit after which it is traded in or converted to more social value) it raises questions as to whether organizations who hold this value concept are able to overcome the tensions of competing value logics, and how to translate this holistic value concept comprised of three underlying different types of value and value aspirations into action or practice.

4.2 A case study of a for-profit impact investor, Small Giants



Fig. 4.2 200 most frequently cited words across interviews and focus groups with Small Giants

Small Giants is a private investment company, founded with world-changing ambitions, philosophical ideas, private wealth, and an entrepreneurial spirit (see fig.4.2 for the 200 most cited words in interviews and focus groups). Based in Melbourne, Australia, Small Giants began in 2007 with the vision of husband and wife team, Danny and Berry Almagor, who were striving to “*create, support, nurture and empower businesses that are shifting us to a more socially equitable and environmentally sustainable world*” (Small Giants, 2014).

As a small impact investment firm, employing seven people, Small Giants embodies its name, prizing its small intimate team—“*that’s why we love Small Giants; you have to be small...*” [SG6]—while striving to achieve significant impact: “*we want to shift everything. The ambition is huge.*” [SG5] Small Giants acts as an impact investor—defined by the Global Impact Investment Network (GIIN) as an investor who intends to “generate measurable social and environmental impact alongside a financial return” (GIIN, 2015)—to create positive social and environmental outcomes through its varied values-guided investment strategies, including: venture capital, growth capital, property

development, philanthropic funding, angel capital, and social finance (i.e. social bonds). Small Giants' portfolio companies vary across industries (education, property development, renewable energy, and consumer goods), size, and legal form (for profit, non-profit, community-owned, and private). It has recently expanded its portfolio to invest in an impact investment firm, which takes larger bite size investments on the order of AUD \$1-30 million, and brings other large investors to values-based deals that it encounters.

Small Giants is a long-term patient investor (not exit oriented) that balances financial return targets with other values-based ambitions, described as making sure “*who and what we touch*” in each of its investments is “*being looked after*” [SG6]. Led by its values and vision of creating and supporting businesses that create a more sustainable world, Small Giants has pioneered the B Corporation (B Corporation, 2014) in Australia, becoming Australia's first B Corporation (B Corporation) in 2011. B Corp is a voluntary certification that assesses businesses based on environmental and social criteria and is becoming a growing community of values-aligned businesses that are exchanging benefits within the B Corp community to offer perks such as, preferred procurement, low interest loans, and educational loan deferral programs. At the time of writing this thesis in 2015, there were over 1,000 B corps registered globally across more than 30 countries (B Corporation, 2014). Small Giants has played an active role in championing the B Corp movement in Australia by entering into a joint venture with B lab, the founding company that started and runs the B Corp certification process, to found B lab Australia's office and has dedicated significant resources toward cultivating a thriving culture of businesses that adopt the B Corp certification. Small Giants sees B Corp as a proxy for identifying values-aligned businesses, companies that it hopes to invest in and support. In this way, B Corp acts as a filter to identify companies that share mutual values about doing business in a more socially just and environmentally conscious way. As of late 2014, all of Small Giants portfolio companies are either B Corp certified or in the process of becoming B Corp certified.

The concept for Small Giants was born from the experiences of Danny and Berry who had encountered a conflict of two worlds or two competing logics, described as a duality between “*what we want to do in the world and making money in order to do what you want to do*” [SG6]. For Danny, this came from his experience running two businesses simultaneously, a non-profit and a for-profit. Danny started the Australian chapter of Engineers Without Borders and acted as volunteer CEO for a number of years because he believed in the work and the mission. However, to support himself, he also founded a for-profit company, Medi-Vax, which did flu-vaccinations and corporate health checks. After about six years of doing both jobs, Danny also met and married his wife, Berry. Berry had come from a wealthy family and in her own way had confronted the challenge of bridging passion and beliefs with the logic of finance and profit. This conflict led Danny and Berry to come up with an “*idea to bring those two worlds together...the philanthropy or charity and making money...we said, ‘there’s just a better way to do business.’*” [SG6]

Danny and Berry came up with the concept of an investment firm, a company they dubbed ‘Hub and Spokes,’ where the hub represents an individual that reflects their values (“*the hub, the customer, was us*” [SG6]) and the spokes being all the businesses that individual would like to see in the world. In this way, their idea was to invest, from Berry’s private family wealth, in a portfolio of companies that reflected their plural values of morality, love, compassion, connection, and respect for the earth. However, after reading a book *Small Giants* that was all about “businesses that choose to be great instead of big” (Burlingham, 2007, cover), they decided to re-brand their company with the same name to connect to a movement of businesses with shared principles and values. The profiles of these businesses illustrated principles such as: creating meaningful and valuable products, connecting to the communities in which they lived and worked, building meaningful relationships with staff, caring for the environment, and being guided by passion rather than profit (Burlingham, 2007).

At the Small Giants festival, a community of businesses that gather around the shared principles listed in Burlingham’s book of the same name (Burlingham, 2007), the

entrepreneurs found “*it was a like a love festival...all these businesses that were just about all this passion and love what you do*” [SG6]. Danny and Berry developed a shorthand for this approach, which was summed up by a cyclist attending the Small Giants festival as taking the white roads or the small scenic side roads to enjoy the ride: “*His philosophy was always take the white roads, because that’s where life is lived*” [SG6]. Although Danny and Berry identified with the white roads principle, believing that love and passion should guide their business, they also felt it was important to understand the intention or destination of the business, a concept they grasped at a Social Capital (So-Cap) conference, where businesses gathered together in search of positive scalable social impact.

[At So-Cap] everyone wanted to change the world but didn’t care how... We needed to say, well, OK, we want to take the white roads, but it does matter where we’re heading. Small Giants [the book-inspired community of companies] was just take the white roads, doesn’t matter where you go, because it will be fun and beautiful and a wonderful journey. And I think that’s right if we didn’t have climate change and poverty. [SG6]

Whereas the *Small Giants* ethos provided a template for the journey, the So-Cap model provided a destination. In this way, Danny and Berry referenced and synthesized these two ideas from two values-based communities to create the concept for their investment company, Small Giants.

4.3 A case study of a for-profit cooperative bank, Bankmecu



Fig.4.3 200 most frequently cited words across interviews and focus groups with Bankmecu

Bankmecu² is Australia's first customer-owned cooperative bank located with head offices in Kew (Melbourne) Victoria. The cooperative was founded in 1957 by a group of Australian scientists from CSIRO (Commonwealth Scientific and Industrial Research Organization) who were struggling to gain access to mortgages to purchase homes. This group pooled their resources and formed a cooperative, defined as an institution founded by an association of people toward a common economic or social benefit (Neck, et al., 2009). Over the next sixty years, the cooperative (which re-branded multiple times and took on various names) went through a number of mergers and acquisitions of nearly 50 credit unions (smaller member-deposit funded and member-owned financial institutions established to provide more affordable financial products to its members).

Through the numerous mergers and acquisitions, Bankmecu became “*distracted from [its] core values and purpose and philosophy*” [BM5]. As the banking sector went

² Since the time of data collection and analysis, Bankmecu changed its name to Bank Australia. However, throughout this thesis, this case study will be referred to as Bankmecu.

through a period of de-regulation, Bankmecu found that it had to question its purpose for being and define its value proposition in order to survive.

So someone could have gone into and asked the branch, 'what's this business about?' and there's no real, nothing to differentiate itself from any other bank...so...the credit union could've simply said, 'well, we'll hand back the capital to the members and you can go and do your banking somewhere else.' But the business decided to look around the world at what else is happening and re-engage with the cooperative model. [BM4]

This exercise forced the bank to examine “*why mutual or customer-owned banks were established in the first place,*” and found that “*they came out of a response to a social issue*” [BM4]. So, the leadership at the bank took this premise and began to question how to make this relevant in the 21st century. One of the key issues that the leadership arrived at was the social issue of sustainable development, and it is this issue that the bank sees itself responding to. However, as a cooperative, owned and governed by customers, the bank began to engage with its customers to understand how to redefine its identity and derive its value proposition.

As the bank began to examine why its customers banked with Bankmecu, it found that its customers “*wanted a banking service that had many [cooperative] principles...concern for the community...fair fees and fair banking products*” [BM1]. This meant that rather than a typical industry-focused or geographic-focused credit union, Bankmecu identified its target market and core customer group is comprised of “*people who want to bank somewhere where their values are acknowledged*” [BM1]. The realization that value was driven by the values of its customers framed the new direction and identity of the bank, leading to what it calls a “*value plus values proposition*” [BM5].

At the time of writing this thesis in 2015, Bankmecu has approximately 350 staff, 130,000 customers, including 800 community and school organizations, and oversees approximately AUD\$3 billion in assets.

As a customer-owned cooperative bank, Bankmecu defines value from the point of view of its customers (see fig.4.3). This customer-centric perspective allows the definition of value to take on the plurality of values that its customers hold. So, where customers clearly want their bank to maintain and grow their financial capital, they also care about the way in which their money is invested and the associated impacts that relate back to their values.

Everything we do reflects the needs, attitudes and values of our customers...nothing is ever purely economics or purely environmental or purely social, but at the end of the day, we're striving to meet the needs and respond to the attitudes of our customers. [BM4]

So why does Bankmecu define value is this way? This orientation toward customer-defined value originates from Bankmecu's reflection on the principles and purpose of cooperatives. According to one participant, the bank's *raison d'être*, or reason for being, is about bringing *"together a group of like-minded people, providing them with an opportunity to save, and investing that money in ways that [address] contemporary issues"* [BM5]. In the case of Bankmecu, these contemporary issues are articulated by the group of people that own the company: the customers. So, while the historic 1850's cooperative bank may have existed to provide banking access to the unbanked [BM5],

Today, the contemporary issues are...defined by our customers...things like biodiversity loss, climate change, access to affordable banking for people who would otherwise be excluded, disability, and a whole range of different social issues. [BM5]

The bank has taken this diversity of issues and has attempted to create a “*responsible approach to banking*” [BM4], which participants describe as responsibly maintaining economic sustainability to protect and grow its customers’ assets while lending and investing with a “*values-based approach*” [BM4]. Participants interpret this by noting the bank considers both negative screens, such as avoiding investments in pornography and coal, as well as investing positively in social and environmental outcomes, by looking at, for example, the community housing sector, or carbon-offset products.

4.4 A case study of a non-profit environmental resource centre, CERES



Fig. 4.4 200 most frequently cited words across interviews and focus groups with CERES

The Centre for Education and Research in Environmental Strategies Community Environment Park (CERES) is a non-profit urban environmental resource centre and community park located in East Brunswick (Melbourne). Built in 1982, CERES was founded by a small group of like-minded individuals who were interested in issues of environmental and social justice. Developed on a 4.5 hectare decommissioned landfill, CERES is now home to urban farms; serves as an event, classroom and conference venue; and is the largest Australian provider of environmental education resources.

Chapter 4 Case Study Overviews

CERES also serves as a demonstration site for green technologies, sustainable buildings, organic farming, energy and water efficiency techniques and social enterprise business models, such as its organic market, café, permaculture nursery and veggie box delivery service.

Hosting over 350,000 visitors each year, nearly 20% of these visitors come as part of an educational field trip from primary, secondary, university, and TAFE (Technical And Further Education) schools (CERES, 2014). In addition to these educational excursions to the CERES site, CERES also participates in school outreach, partnering in 2013/14 with 350 schools, reaching 12,000 teachers and 140,000 students (CERES, 2014). In 2015, CERES provides a site for more than 1,000 corporate volunteers annually with more than 40 regular weekly volunteers who work on gardens, buildings, site maintenance and green technology. As of 2014, CERES oversees approximately AUD \$8.5 million of social enterprises, maintaining 95% self-funding activities with the remaining 5% coming from grants and donations; the site currently employs approximately 130 people (CERES, 2014).

CERES is an organization founded on creating value for its community. Thirty years ago, this value was defined by an economic and social need to create jobs in the face of large-scale regional unemployment as well as the environmental and social ethos of its founding members. This manifested as a public site that would provide employment, environmental education, and a place to explore and demonstrate technologies and models that could help address the community's social and environmental challenges. Over the years, CERES operated in a highly opportunistic fashion, competing for grants or accepting large donations to fund passion projects that fit with the social and environmental ideals of its members. This ad-hoc approach in conjunction with 30 years of growth and expansion led CERES to experience a *“near-death financial experience” [CER4]* in 2012.

This abbreviated history of CERES explains how the organization began by defining value as a hybrid of ideals, heavily focused on the social and environmental, but also

economic value for its community members, initially a small group of hands-on volunteers, staff, and founding members. This original intimate group felt that ‘value’ should be defined by the community, involving frequent and extensive community consultations. As the organization grew, it attracted more public users, education clients, site visitors, members, partners, food suppliers, and staff; however, the emphasis on stakeholder engagement and community participation remained paramount in defining the direction and decisions of the organization.

Participants describe how CERES members arrive at the organization with an idealism and value set, feeling that CERES is a representation or embodiment of their own personal ideals and values. Because of this, as CERES has grown, it has struggled to accommodate the diversity of ideals and values that its community holds. However, the passion for social and environmental issues clearly dictated the projects that were developed and the direction of growth, at the expense of the organization’s survival. CERES has reached a point not only of financial crisis, but also an identity crisis, where, at the time of writing this thesis, it has been forced to re-examine its constitution, purpose, business model, strategy, and core values.

We’re actually in the middle of a significant transition period, and exactly this question (about what we value and how we define value) has been a source of significant tension around that and is quite central to that transition. [CER3]

As the organization struggles to clearly articulate how it defines value, participants often cited their own personal values as a proxy for the way CERES defines value. “*I guess the main thing is, for me, living lightly on the earth, and doing good—being good to each other...but, it’s tricky, because you could ask anybody else at CERES and they’ll probably give you a different version of what CERES is here for*” [CER4]. Participants describe how employees, members, and visitors to the site can “*project their hopes and dreams and visions for the future on the organization...CERES is the place where something, the kind of future they’d like to bring about, might be possible*” [CER4].

Feeling that CERES holds space for users to connect and reflect to things deeply personal, such as their values and their connection to one another and to the earth, participants describe how the line between individual and organizational identity is often blurred. *“I just saw this job at CERES, and I’m like, ‘it’s me’” [CER2].*

This blurring of lines between individuals and the organization in combination with such a large stakeholder group means that the organization is neither clear nor explicit in its purpose or how it defines value. Participants feel that there is an intuitive knowing that value is being created because of a shared set of values that relate to respect and care for people and the natural environment. However, these unspoken and tacit values are then left to each user, client, member, or employee to interpret personally on an individual basis. *“Sustainability is the overarching concept, but that means different things to different people” [CER4].*

4.5 A case study of a non-profit early childhood learning franchise, Goodstart Early Learning



Fig. 4.5 200 most cited words across interviews and focus groups at Goodstart

Goodstart Early Learning ('Goodstart') is Australia's largest childcare provider, operating as a non-profit across all six states and two territories. In 2009, Goodstart was founded with the acquisition of nearly 700 early learning centres from ABC Learning Centres.

From 1988-2006 ABC Learning Centres ('ABC') became Australia's largest childcare provider with nearly 1,000 franchises around the country. As a commercially-run, fast growing company, ABC was once the largest publicly-listed childcare company in the world, reaching over \$4 billion in market capitalization. However, following the global subprime mortgage crisis, in 2007, ABC Learning went into administrative receivership, upon not being able to meet its financial obligations.

From 2008-2009, four Australian non-profits joined together to form the "Goodstart syndicate," ('the syndicate'); these initial partners included the Benevolent Society, Mission Australia, the Brotherhood of St. Laurence, and Social Ventures Australia.

The syndicate raised capital, acquiring \$120 million of senior debt from NAB, \$2.5 million from each of the three larger non-profit syndicate members in the form of cash in subordinated notes, \$2.5 million from each of the four syndicate members in non-cash in deeply subordinated notes, \$15 million in concession loans from the Australian federal government, and \$22.5 million in social capital notes from 41 high net worth social impact investors; this allowed the syndicate to place the winning bid of \$95 million for 678 financially-viable centres which was voluntarily accepted in late 2009 (SVA, 2010). From 2010, the new organization was re-branded as "Goodstart Early Learning," ('Goodstart') and is registered as an Australian charity, owned by the four syndicate partners.

At the time of writing this thesis in 2015, Goodstart Early Learning Centres has an annual turnover of approximately AUD\$800 million, operating 641 childcare centres across Australia, caring for 73,000 children between the ages of 6 weeks and 5 years, and supporting over 61,000 families (Goodstart, 2015).

Goodstart defines itself as a social enterprise, an organization simultaneously striving for financial stability as well as quality learning services and social inclusion to support a broad and diverse population of children. These three pillars—stability (financial), quality (social), and inclusion (social)—constitute the multi-focal lens Goodstart takes to value creation (see fig.4.5). *“The way that we think about it, is the sort of balance between quality, inclusion and stability being our...social outcomes as opposed to our financial outcome. We talk about the trade-off or balance between those and try and identify where they do overlap” [GS1].*

Beginning with stability, Goodstart is emphasizing financial discipline and self-sustaining practices that will enable the organization to build a surplus, which it invests in its other two goals, quality and inclusion. At the time of writing this thesis, Goodstart is currently focused primarily on achieving stability by building a financially robust business. Its next strategic area of focus is to invest in quality by improving the educational services, primarily through upskilling its staff. Following stability and quality, Goodstart then is prioritizing inclusion to focus on targeted services for Australia’s most vulnerable children. And finally, the organization sees physical infrastructure and environment as a last strategic priority.

So, we think about stability as the ability to generate the surplus to reinvest in either lifting quality or inclusion, sort of more vulnerable children. And, as an organization now, we’re really, we’ve kind of decided that we’re most committed to lifting the quality of our services and particularly doing that through investing in staff and staff capability. So, that’s really the first priority. And then some, but less of our funding going to our inclusion programs...and then, some but less again going to physical environments, services and technology...but, a lot less than that going to staff and professional development paths. So, we encourage our centre directors to think about quality, inclusion and stability, and the effects of their decisions on those three. [GS1]

4.6 A case study of a for-profit 'Big 4' global bank, National Australia Bank



Fig. 4.6 200 most cited words across NAB interviews and focus groups

National Australia Bank (NAB) is a financial services institution, publicly listed on the Australian Stock Exchange (ASX) and headquartered in Melbourne Australia. Founded in 1893, NAB provides business banking, consumer banking, wholesale banking, wealth management, and insurance services to markets across Australia and New Zealand with some services in Asia, the UK, and the USA. As one of Australia's largest top four banks by market capitalization (approximately AUD\$76 billion at the time of this thesis in late 2014), NAB serves over 12 million customers and employs approximately 42,000 people (NAB, 2014). In FY 2014, NAB invested AUD\$68 million in its community investment program and has committed to 1 million volunteer hours by 2018, a commitment valued at approximately AUD\$50 million (NAB, 2014).

As a publicly listed company, NAB sees itself as accountable first and foremost to its shareholders, with over 520,000 shareholders as of 2014 (NAB, 2014). Half of NAB participants (eight out of 16) reflected this view, using statements such as, “*Shareholder value is the key that drives us*” [NAB14], or “*NAB won’t survive as an organization if we*

don't make shareholders happy" [NAB3], or "It gets tied back to shareholder values. It's about longevity. It's about having the right to exist." [NAB16]

However, participants were as quick to note that because of NAB's accountability to its shareholders, that shareholders hold significant power to dictate how the bank defines value. So, while participants acknowledged that value has many dimensions that include environmental health, social bonds and institutions, ultimately, the shareholder has a choice in how he/she defines value for the bank (see fig.4.6).

Where do you want to be in 30 years' time when you retire? Do you want to have 10% less money but be in a community that is safe, clean, pleasant to hang out, all the rest of it? Or, do you want 10% more money but it's so polluted you don't want to go outside, the schools don't work, police system is broken, full of crime. But you've got more money; so you could probably hire a bodyguard, I'm not sure. As a crass extreme example, it's about asking that question. Shareholder value is the key that drives us, but what is shareholder value? [NAB14]

Most participants felt that shareholder value equated almost entirely to financial returns or a purely financial measure of value, stating, *"The shareholder still fundamentally defines value in economic returns. Until you change that shareholder measure..." [NAB4]*. This financial measure of value is also assessed on a short-term basis, as shareholders can be short-term owners or assess their returns and investment on a short-term basis.

I think the issues with all this stuff is that shareholder returns are measured on a monthly basis, quarterly basis. And CEOs are judged every six months. A lot of the intangible value in this [other types of social and environmental value] we're looking at can be years or generations. [NAB4]

However, despite the universal recognition that shareholder value is a short-term financial measure and that shareholder value is the predominant driver for the bank, every

participant noted that both individuals within the bank as well as the institutionalized processes that deal with notions of value are in a state of transition.

You'll get into the territory where people say, 'Well, hang on. Your job is to manage capital for shareholders to make returns to shareholders.' And if you get too leaky and spend money on things that aren't aligned with their interests, and you don't know what their interests are, because they change all the time, then, if it gets too leaky, then they'll say, 'Well, OK. We're going to change management.' ...[But] I could stop investing completely in this space [community investment and natural value] and make \$500 million extra next year. But that's burning the furniture, because everything will eventually fall over. Right? So, in the same way as investing in technology and things that don't necessarily pay you back in year one, I'm investing in social good, which is informing our risk filters, building our reputation, keeping our stakeholders engaged, and that's a healthy business model. [NAB6]

This is an acknowledgement that despite short-term financial hurdles that drive value as a result of the shareholder model, some people within the bank are taking a broader view of value for the long-term, shifting the bank's approach to value. This transition includes both top-down and bottom-up shifts in the way value is being defined and created at NAB.

From the bottom-up, participants cited examples of how individual values have influenced the integration of environmental and social 'value-added' initiatives into the NAB portfolio. For example, while NAB currently boasts that it has pioneered and owns the majority of market share for project financing utility-scale renewable energy projects—65% of all projects across Australia since 2000 (NAB, 2014)—the genesis of this work was generated by employees within the bank having to 'swim upstream' to prove that this was a viable segment of the market, as well as one with tremendous growth potential.

Despite widespread recognition by participants of the need for the bank to transition into these new more complex hybrid value areas, there remains an institutionalized dominance of market logic, where financial value is king. From this perspective, social or environmental value can be seen as co-existing, but rather in a minority position, as ‘additional’ or extra value, once financial value requirements have been met or exceeded.

From a strategic perspective, some at NAB can see that by discovering what its customers, employees, and community value and demonstrating that NAB shares those values, *“when we have employees engaged in our [corporate responsibility] programs, for example, when they’re volunteering or helping out, the halo effect that has on employee engagement, which most managers here get, because they know that that is beneficial to productivity and can see the extra value there, and that we can try and capitalize on that” [NAB5]*. So, by investing in social and environmental values that reflect the values of NAB’s stakeholders, NAB is increasing employee, customer and community engagement, which leads to improved productivity, higher customer acquisition and improved customer retention, all driving the financial performance of the bank. This ‘financial-first’ logic is also described as participants discuss how the bank approaches social and environmental value as a negative risk filter, again limiting financial liability, rather than an area to actively pursue positive value creation.

For other participants, the hybridization of value at NAB is more than a marginalized shift toward increasing social license to operate. This view tends to see value being redefined from the top-down.

In terms of maximizing value, we’ve kind of shifted, I think. We’re shifting along a continuum. But we’ve started with shareholder profit as maximization of shareholder value traditionally, and we’re moving towards, ‘OK, we see that there’s a role for corporates to play.’ And that’s where CSR came from. And, now, we’re moving towards the shared value, so we’re kind of moving along. And, I guess, for me, the value creation part is...we need to define that...because that’s the next step. [NAB15]; or

There are multiple ways of defining value, and we [NAB] recognize that. Value in terms of shared value, so societal benefit as well as business benefit. Value in terms of environmental impact, so a stop to damaging practices, conservation, recognition and protection of environmental services moving forward, protecting the environment for future generations. We've [NAB] learned to be looking at value in multiple ways. [NAB7]

NAB is in the process of investing in various initiatives and educational projects to inform the bank's process of how it defines and measures value. For example, it is investing in what it calls a 'natural value strategy,' "*recognizing the 'beyond the GDP' concept and the value of multiple values within an economic system*" [NAB7]. This strategy takes an environmental accounting perspective to inform the background thinking and is developing this strategy that is intended to be about "*assigning and recognizing the valuable contribution and the financial contribution that environmental services have to our economic system*" [NAB7]. This initiative is meant to link environmental and financial value by informing risk filters and identifying positive value creation opportunities for the bank. It is an area that has received funding and strategic support from top management, allowing the team to invest in a period of learning, which will then inform the way NAB integrates 'natural value' into its business.

About one-third of NAB participants (five out of 16) saw the corporate responsibility platform, which invests largely in social value outcomes, particularly the investment in microfinance, community finance, and indigenous affairs, as different to the treatment of environmental value strategies (for more detailed analysis, see Chapters 5-7). One of the key differences being that the social finance initiatives are not required to meet any financial hurdles, and, in fact, are discouraged from generating profit for fear of being perceived as exploiting vulnerable groups, compromising the reputational benefits and social value that can drive further financial value for the bank.

We want [microfinance] to break-even. We don't want it to make any money...because if it's break-even and it's a social good, well, it doesn't cost us anything. So, we get a reputational dividend...but, if I charge 60% interest because I want to make \$1 million a year, I lose all that. Then it's not a social good. It's just, you're under-cutting the other guys to make a profit. And, how dare you charge 60% to needy people, you know? It's not worth it. We make \$1 million? We make \$6 billion. Who cares? The dividend for me is the reputation, staff engagement. [NAB6]

Whereas, environmental initiatives across the firm have to prove that they are able to create financial value in addition to environmental value. “*We have internal paybacks we need to meet for any environmental expenditure we undertake*” [NAB1]. Additionally, there was some consensus amongst participants that:

Environmental value has been less considered than social value in the past within our business, but within Australia as well. Within our business, you look at our corporate responsibility agenda, and we have a very strong group environmental policy and agenda of work across the business. But, we've had less sponsorship and philanthropic activity, and we've had less volunteering activity focused on environmental than social. So...there's potentially more societal interest in people issues and human issues than there has been on environmental issues, and businesses like ours respond to that. [NAB7]

Employees working outside of the corporate responsibility team felt that the investment in social finance, while ‘the right thing to do,’ can also be considered tokenistic, noting a difference in scale. “*\$130 million [referring to an investment in corporate responsibility], to be quite frank, is almost irrelevant, right?...\$130 million is like a rounding error*” [NAB13]. Given that NAB achieved an AUD\$5.3 billion net profit in 2014, about one-third of NAB participants expressed scepticism of the bank's commitment or investment in broadening the nature of value. These participants felt that if the bank truly were committed to top-down changes to legitimize and encourage social

and environmental value consideration, it needed to introduce systemic institutionalized changes.

It is actually having a top-down allocation, for want of a better word, towards those values. If you want to do it, then, even if it's subtle, then push some incentive into the system. Because then it should drive broader changes within the rest of the business...we just need to get it in there such that, as a banker, because everyone has different values, that the value is institutionalized. It's institutionalized and you can't go against it. [NAB13]

The other critique of top-down support for a broader definition of value is that while top management only seems partially committed to understanding and supporting strategic opportunities to identify how social and/or environmental value can work for or against the bank. In some instances, management appears to identify that an environmental value driver, such as climate change and carbon pricing, can be an opportunity or liability for the bank. However, these insights often lack the long-term investment and commitment required to explore, develop and then capitalize on these capabilities.

...It's innovation. It's R&D. And, if we invest now, it will pay back in 5-6 years' time. The plug after 2 years gets pulled, and then you've got to fight to survive. [NAB16]

One participant offers a summary of the transition of value at NAB from individuals with personal values to an institutionalized embeddedness where value is defined more broadly. This transition of value takes into account the financial realities driven by accountability to create shareholder value as well as the need to broaden the definition of value to include the values of customers, employees and communities. In this way, value must be comprised of the short-term financial returns required of a publicly listed company as well as the more complex values of its stakeholders that ultimately drive legitimacy, social license, viability and success of any company.

I think [social responsibility] is a reflection of personal values...I've sort of become the driver of it. And what I'm trying to do is embed it in the corporate strategy so that the corporate strategy is now half about the capital side, how we put capital to work and the return we generate on capital, and half about the social side, which is how do we engage our people, our customers, our communities, because none of them are going to get out of bed for return on equity. And how do we entwine those two things? And become a company that does good whilst still meeting its obligations to shareholders? [NAB6]

Chapter 5 Findings & Analysis: What is hybrid value?

This chapter discusses my findings and analysis to address objective 1 (s.1.1): to understand what is meant by hybrid value. In this chapter, I analyse how participants discuss and illustrate the concept of value.

In section 5.1, I highlight the key interpretations of value that emerged from my case study data and analyse these findings in relation to the extant literature, drawing on institutional logics (s.2.5.1) and value theory (s.2.5.2) as analytical lenses to explore whether and how each of these value concepts demonstrates the co-existence of plural logics and how these concepts of value may be overcoming the plural value challenges identified in the literature (s.2.5). In section 5.2, I analyse whether and how these types of value are overcoming the plurality challenges illuminated by the theory of plural value (s.2.5.2).

5.1 Key Interpretations of Value

The analysis of my data reveals eight distinct value concepts to describe how my case studies are approaching hybrid value. The first three types of value were identified in the literature review (s.2.4.2): (1) blended value (Emerson, 2003a); (2) shared value (Porter & Kramer, 2011); and (3) triple bottom line (Elkington, 1997). My data demonstrates how organizations explicate these value concepts by empirical example. A further five types of value, previously undocumented in the literature, were derived from analysing the case study data, which I categorise as: (4) autonomy value; (5) enabling value; (6) internal value; (7) threshold value; and (8) value swapping.

5.1.1 Blended Value

Five out of the six case studies, including 21 out of 49 case study participants, referenced the concept of blended value (Emerson, 2003a, 2003b) (s.2.4.2.1) as an ‘ideal’

conceptual model for their organization's value strategy; however, these participants also found it challenging to describe how actual organizational practices aligned with this concept, suggesting this concept may be difficult to implement in practice.

Bankmecu participants referred to this conceptual ideal, not wanting to separate value components but rather viewing them as positive sum and part of the same total value picture, which participants saw as a combination of social, environmental and financial, reflecting the blended value concept.

I want to move away from trade-off...it's about achieving it all together...I don't know why we even have to trade any of it off...I want to create value. I want this business to create economic value. I want it to create social value. I want it to create environmental value. [BM5]

As a customer-owned cooperative bank, Bankmecu defines organizational value as a reflection of customer values. However, it felt that it wanted value to be a 'virtuous circle' where financial, social and environmental value were a part of the total value picture and value was created in a positive feedback effect for customers, employees, communities and the environment. Figure 5.1 offers a visual diagram for blended value, based on participant responses from Bankmecu.

Figure 5.1 demonstrates how Bankmecu participants talk about the positive feedback relationship between beneficiaries.

We're sort of trying to support the community that underpins our existence as well. So by doing these things, by going back and supporting the community and investing in the environment, we rely on the environment to exist; we rely on people in the community to be...financially resilient...and to have jobs...to exist as an organization. [BM3]

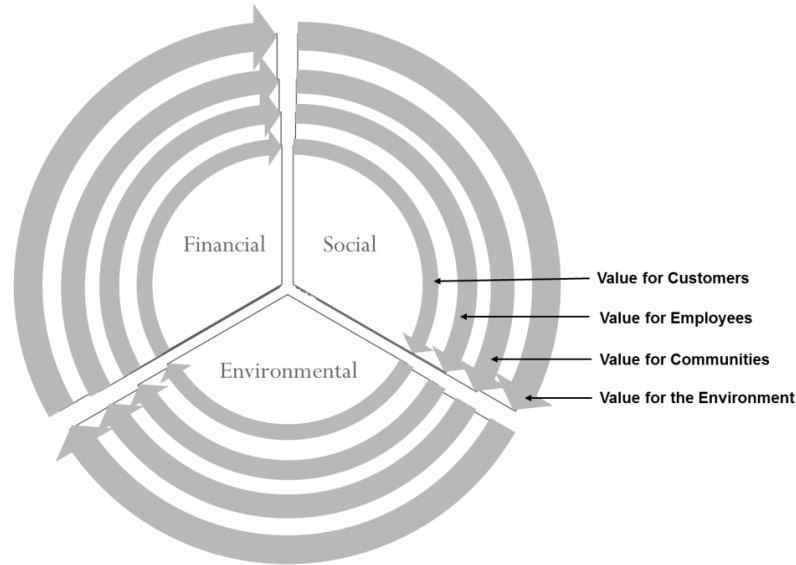


Figure 5.1 Blended value for Bankmecu ('Model 3 ripple effect or nested systems')

This model demonstrates a relationship amongst the component values of environmental, social, and financial as component parts of a whole notion of total value. This model (fig. 5.1) was termed 'model 3: ripple effect or nested systems' during data analysis (see Table 5.1). It was the third mental model of hybrid value that emerged when a participant at NAB discussed the layers of impact like "*ripples on a pond*" [NAB6] in reference to investing in social and environmental initiatives that could have positive flow-on effects, creating more social and environmental value external to the firm as well as more financial value that could be captured by the firm. However, other participants further developed, refined, and confirmed this model, such as the model described by Bankmecu participants (fig.5.1).

Participants from CERES, also referenced blended value as an ideal concept, feeling that value could be represented, much like permaculture, as a nested set of systems. In this model, value can be seen as non-divisible and driven more by beneficiaries or stakeholders than by types of value. Figure 5.2 offers an illustration of how three CERES participants described blended value at their organization. In figure 5.2, value is depicted as a set of ripples or nested rings that demonstrate CERES' understanding that it must first sustain itself in order to create value for its community and the environment.

However, this stakeholder approach to value also represented the organization's approach that has historically allowed its stakeholders to actively participate in, manage, and individually assess the organization's value strategy. Participants at CERES felt this 'nested systems' type of model allowed for a blended value ideal to be created for multiple groups.

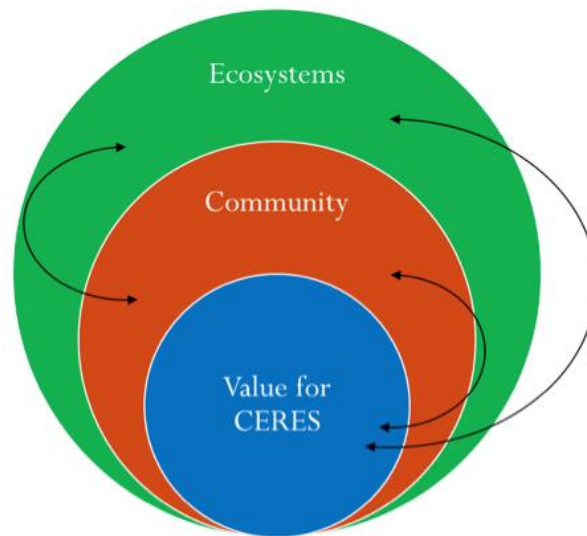


Figure 5.2 'Blended value' as nested systems at CERES

However, while the participants at CERES aspired to blended value as an organizational ideal, they also reflected the challenge in reconciling logics and described how they experience a cognitive dissonance in attempting to create this type of value in practice. This was reflected in other cases as well. For example, [GS3] identifies with 'model 3' as a mental model (figs. 5.1-5.2), viewing value as holistic and having a ripple effect with various stakeholders; however, she describes how in practice, value is framed and approached more as zero sum, with necessary trade-offs between social and financial outcomes.

It's the model, the ripple effect, because I think if you work very effectively for children and with children in certain communities, it does ripple on and have impact

along the way. The first model though, the value tension trade-off model is I think something that we grapple with all the time in making our organisational decisions because...it feels to me... like as an organisation we are constantly trading off economic outcomes and outputs and social outcomes and outputs, if that makes sense...I think we're getting better at looking at multiple lenses, multi-focal lenses, if you like, in our decision making. [GS3]

Participants (at Bankmecu, CERES, Goodstart and Small Giants) who idealized a holistic notion of value (see Table 5.7), demonstrated that, in practice, value was often approached in a much more siloed or fragmented way, where financial, social, and environmental value strategies were quite separate from one another. Applying the lens of institutional logics can suggest that the 'plural' nature of the blended value ideal may only be upheld at the conceptual level, reflecting an ideal of combining logics (e.g. Battilana & Dorado, 2010). However, at the implementation level, logics are separated to allow for a dominant logic to guide behaviours or actions, illustrating the dominant institutional theorist view of logic decoupling (Meyer & Rowan, 1977) (s.2.5.1). My data suggests that even in a context where multiple logics exist, organizations that uphold blended value are ultimately characterized by one dominant logic at any given time (Scott, 2008; Thornton & Ocasio, 1999). This will be discussed in further detail when I analyse how organizations are delivering hybrid value (Chapter 7).

My case studies' redefinition from a zero sum to a positive sum relationship amongst value types in blended value clearly demonstrates an acceptance of value plurality (Tetlock, 1986) and value relations (Sethi, 1986) (s.2.5.2). Issues of aggregation (Aram, 1989) (s.2.5.2) across time and level can be extrapolated from this concept, where the value 'footprint' could extend to different levels and temporal scales. For example, at Bankmecu, value can be created for the same individual at the customer, employee, and community levels and can be assessed under short and/or long term time horizons. However, incommensurability is not really addressed as in the blended value concept these different types of value should in some ways add up together, implying a common scale.

Table 5.1 Visual value models as discussed by participants

Model	Text References	Types of value	Visual model example
"Model 1" value tension	s.5.18 (fig.5.11)	Value swap	
"Model 2" value quadrants	s.5.12, 5.14, 5.15, 5.17, 5.18 (fig.5.5, 5.5.1, 5.9)	Enabling value (including autonomy value and shared value); Threshold value; Value swap	
"Model 3" ripple effect or nested	s.5.1.1 (fig.5.1, 5.2)	Blended value	
"Model 4" virtuous circle	s.5.1.2, 5.14, 5.15 (fig.5.3, 5.6)	Enabling value (including autonomy value and shared value)	
"Model 5" value constellation	s.5.1.6 (fig.5.7, 5.8)	Internal value	

In total, five different visual models emerged from participant interviews and focus groups to describe the different concepts and relationships amongst and between value components. Table 5.1 offers a summary of these five value models. The first model ‘model 1’ was termed the value tension model (fig.5.11) and is described in section 5.1.8 as a model where organizations frame the pursuit of multiple value types as a tension or trade-off model, where social/environmental value is placed in opposition to financial value. The second model ‘model 2’ was termed the value quadrants model (s.5.12, 5.14, 5.15; fig.5.5, 5.51, 5.9). This model, adapted from Thornley and Dailey (2010) creates quadrants where financial value is on the y-axis and social/environmental value is on the x-axis, demonstrating both types of value correlate to different scales and can be pursued in tandem, overcoming the either/or paradigm. ‘Model 3’ was described as the ripple effect or nested systems model (s.5.1.1, fig.5.1, 5.2), where participants described ripples or layers of value, most often in relation to stakeholders. For example, Bankmecu referred to a strategy of creating hybrid value for customers to reflect customer values. This value had flow on effects, creating layers of value for employees, the community and the environment. ‘Model 4’ was the virtuous circle model (s.5.12, 5.14, 5.15; fig.5.3, 5.6) that demonstrated how one type of value drives another type of value. Finally ‘model 5’ was described as a value constellation (s.5.16; fig.5.7, 5.8) to demonstrate how different types of value are created across time and space for different stakeholders.

5.1.2 Shared Value

NAB most closely reflected the concept of shared value (Porter & Kramer, 2011) (s.2.4.2.2). NAB participants described how “*social, environmental value is just...it boils down to making money for the bank*” [NAB13]. Participants felt that while NAB may be moving toward a more sophisticated and nuanced understanding of value, it currently approaches environmental and social value as a driver for risk reduction, employee engagement, and reputational benefits, all which drive financial value for the firm.

The shared value perspective describes social and environmental value for stakeholders as a driver for more financial value for the firm via proxies such as

reputational or brand value or more sales transactions that can be captured via social and/or environmental niches (i.e. renewable energy) (Porter & Kramer, 2011). However, the shared value literature is not explicit in the way one type of value enables or drives the creation of another type of value; rather, these relationships are much more implicit. Figure 5.3, derived from data analysis, illustrates the shared value logic. Porter & Kramer (2011, p. 67) describe shared value as a “virtuous circle,” whereby “companies can create economic value by creating societal value.”

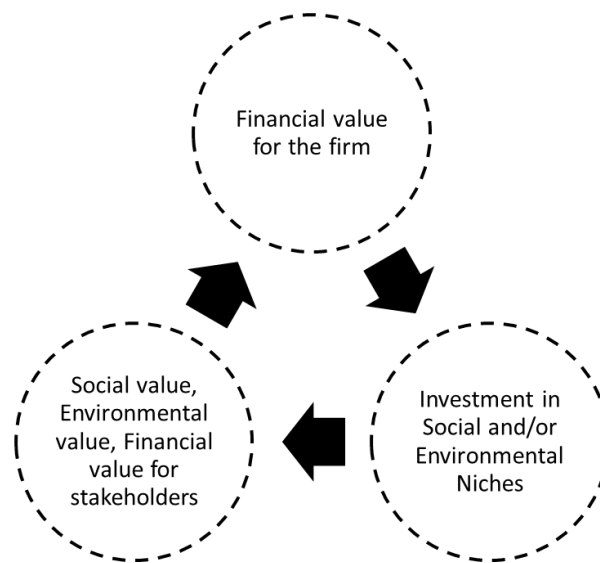


Figure 5.3 ‘Shared value’ logic

This type of shared value logic was described by 14 of 16 participants at NAB. For example, one participant notes:

So, in the same way as investing in technology and things that don’t necessarily pay you back in year one, I’m investing in social good, which is informing our risk filters, building our reputation, keeping our stakeholders engaged, and that’s a healthy business model. [NAB6]

As is depicted in figure 5.3, financial value for the firm drives investment in social and/or environmental niches which in turn drives social value, environmental value, and financial value for stakeholders, which in turn drives more financial value for the firm in the way of reputational and brand benefits, niche product and service revenue streams, customer loyalty, and employee engagement.

This empirical example of shared value demonstrates how NAB is operating with dominant market logic, whereas social welfare logic serves as instrumental (value relations) to further reinforce the market logic. NAB illustrates how investing in community investment, indigenous affairs, natural value strategy and employee volunteerism drive internal financial value for the bank by attracting, retaining and engaging communities, customers and employees which in turn drives productivity for the organization. Despite the dominance of market logic, this case study provides evidence of a relationship between different institutional value logics, demonstrating how logics are likely both combined (e.g. Battilana & Dorado, 2010) and/or compromised (Oliver, 1991). In this example, market logic enables the organization to engage social welfare logic, which in turn reinforces the market logic. This will be discussed in further detail in chapters 6, 7 and 8.

While participants from every case were familiar with and occasionally used the term ‘shared value,’ the only case study that displayed a shared value logic was NAB. The STREAT case study also included a corporate partner participant who referenced the shared value logic in reference to his company, which factored into their company’s engagement and partnership with STREAT (see Table 5.7).

Shared value does defer to a system of monism, where economic value is prioritized above social value. However, it acknowledges value relations, where social value is framed as instrumental to economic value creation and vice versa. It attempts to address both issues of incommensurability (Norgaard, et al., 2001) and aggregation by acknowledging the value types are inherently different and apply to different levels and scales of those who benefit from or can share the value created. However, it is somewhat unclear whether

measuring value types along different scales overcomes the issue of incommensurability, as it is unclear how the scales may relate to one another.

5.1.3 Triple Bottom Line (TBL)

Although only one of six cases reflected the nuanced language of the Triple Bottom Line (TBL) (Elkington, 1997) (s.2.4.2.3) approach to hybrid value creation, the three pillars of people, profit and planet were consistent across all cases in the way value was discussed and assessed. One participant from STREAT drew her own model for how she'd like to see hybrid value conceptualized. This visual diagram (fig. 5.4) reflects TBL principles exactly.

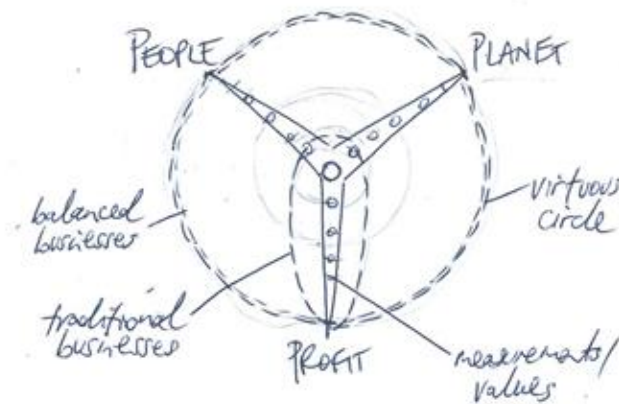


Figure 5.4 STREAT's Triple Bottom Line hybrid value diagram

When drawing figure 5.4, the participant noted:

I want something that doesn't lump people and planet together. I want it to look whole and complete when you're doing good - virtuous circle created. Profit at the bottom because it's an enabler or means, not an ends. Each axis has measures that are appropriate for that section (right timeframes etc.). I'm almost tempted to put Planet on top because it's the ultimate sustainer of everything. [ST1]

This participant is highlighting how her ideal value concept, representative of TBL, would reflect plural logics, value relations and overcome issues of incommensurability by creating separate axes with separate measures. However, while this allows each type of value to be measured along its own scale, it does not reflect how the different value types are then assessed or related to one another, or how they become commensurate. There is also an acknowledgement that long-term value may be captured by a different level than short-term value (overcoming issues of aggregation). However, because there were limited examples of participants referring to the TBL ideal, this value type at this stage still remains somewhat abstract and at the conceptual level. In the chapter 7, I will discuss how more than one case study is embodying this value type at the implementation level.

The TBL concept pursues different logics to maximize outcomes for people, planet and profit. Because there was limited case study data reflecting the TBL concept, it is difficult to unpack how the institutional logics may co-exist or relate. However, as detailed in the literature (s.2.4.2.3), TBL as a concept refers to an ‘additive’ value approach where logics are combined (e.g. Battilana & Dorado, 2010); however, much like blended value, it is unclear whether the logics have to be decoupled (e.g. Meyer & Rowan, 1977) (s.2.5) or selectively decoupled (Pache & Santos, 2013) (s.2.5) in order to be implemented.

5.1.4 Autonomy Value

I derived the term ‘autonomy value’ from participant responses at all six case studies. This type of value describes organizations that seek to generate their own revenue streams in order to obtain financial autonomy and invest these financial surpluses in social/environmental mission delivery. This means organizations deliberately pursue financial value as a means to enable autonomy to create social and environmental value. All six case studies referenced this either in terms of specific departments, projects, portfolio companies, or the organization as a whole.

An example of this can be seen at environmental education non-profit CERES, where a model of heavily relying on grant-funding led to a “*near-death financial experience*” [CER4] in 2012, (s.4.4). CERES has turned to increasing its reliance on self-funding revenue streams by growing its portfolio of social enterprises in absence of predictable external grant funding to increase its autonomy and ability to continue to fund its environmental education and technology demonstration programs.

Although ‘autonomy value’ is not explicitly defined, the concept can be observed throughout the hybrid value literature, in particular the social enterprise and non-profit literature. Autonomy value also appears to align closely with Yunus’ (2010) definition of social business, a non-dividend business that generates self-sustaining profits in order to achieve its social mission. Additionally, this value concept aligns with those who see social enterprise as originating from non-profit origins and moving toward more enterprising strategies (James & Rose-Ackerman, 1986; Weerawardena, et al., 2010).

Figure 5.5 offers a visual representation of autonomy value plotted on a value quadrants model that first emerged during data collection with participants from Small Giants who referenced Thornley & Dailey (2010). Figure 5.5 depicts autonomy value as a set of ‘steps,’ in which self-generated financial revenue streams enable an organization to meet its minimum financial threshold or reach a point of financial self-sufficiency or autonomy, depicted as a horizontal blue dotted line. The vertical blue dashed arrows represent increases in financial value as “*an enabler or means, not an ends*” [ST1]. The financial surplus is then invested in creating either less negative environmental value (do less harm), depicted as horizontal green solid arrows or positive social value, depicted as horizontal orange solid arrows. The distinction between positive and less negative is important as cases often discussed environmental value as a ‘do less harm’ or negative value minimizing strategy, whereas social value was often approached with the aim to create positive value. An autonomy value approach depicts financial value as independent from the other component types of value. Whereas the social and environmental value strategies are highly dependent upon the financial value that is created.

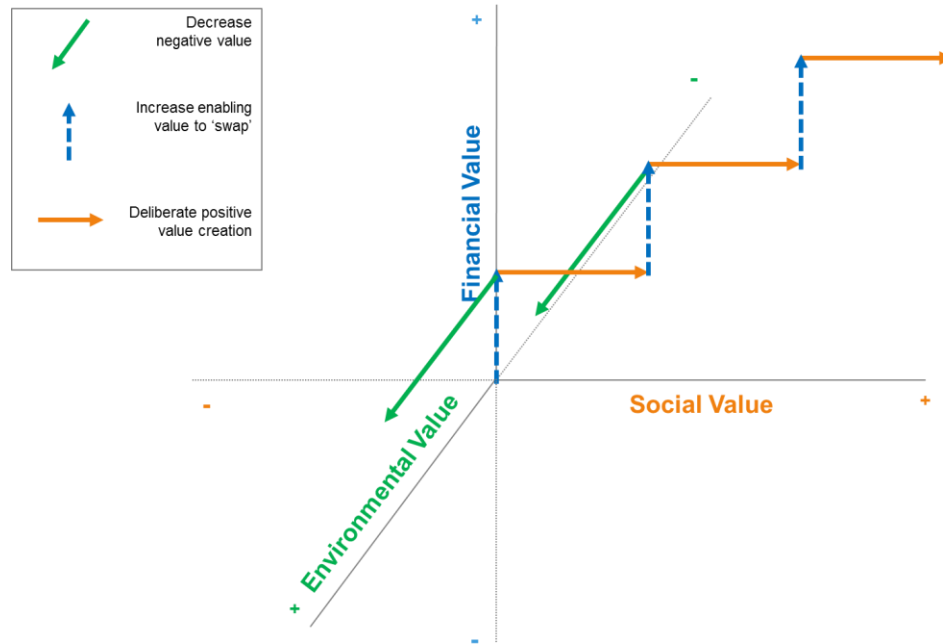


Figure 5.5 Autonomy value or Enabling value (*adapted from Thornley and Dailey, 2010*)

Autonomy value describes a type of plural value, although, not plural logic. This value type demonstrates how at the implementation stage, there is one dominant logic, which is superseded by a subordinate logic, which then becomes dominant, reinforcing the view that logics may be selectively decoupled (Pache & Santos, 2013) (s.2.5.1). Financial value (market logic) is required to attain organizational autonomy and stability, enabling the organization to fulfil its mission of investing in social outcomes (social welfare logic) and environmental outcomes (intrinsic logic, s.7.1.7).

The value quadrants model (fig. 5.5) was the second model (see Table 5.1) to emerge from case study data when all six participants at Small Giants rejected a linear dichotomy and referenced Thornley & Dailey's (2010) value quadrants model that places social/environmental value on the x-axis and financial value on the y-axis. During further data analysis, the social and environmental value dimensions were separated into two separate axes, yielding a third z-axis (fig. 5.5.1). This is the model that resonated with the highest number of participants, with 65% of participants selecting this model as the best fit to describe how their organizations perceive hybrid value.

In this model, participants felt they could ‘plot’ their organizations along different scales appropriate for each type of component value. For example, financial value could be measured in dollars. Social value could be measured by the number of people helped or alternatively by subjective assessment of organizational performance toward its social goals. Similarly, environmental value could be measured along a scale of ‘doing less harm’ or often making environmental operational improvements that could be quantified based on environmental metrics, such as water or emissions reduced, or a subjective assessment.

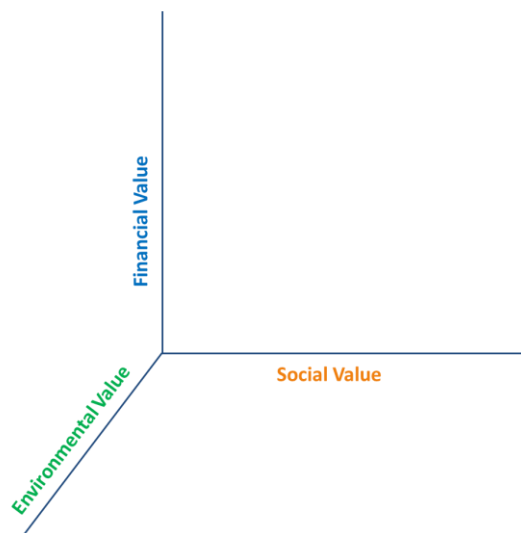


Figure 5.5.1 ‘Model 2’ Value Quadrants Model (*adapted from Thornley and Dailey, 2010*)

STREAT provides another example of autonomy value. It pursues financial value through multiple portfolio businesses, including a coffee roasting company that produces great financial profits but no social or environmental value, according to participants. STREAT deliberately chooses to continue to run this market logic part of the business in order to maintain financial autonomy and cross-subsidize other parts of the business that have minimal or insufficient financial returns to remain viable but provide great social value, for example support services for homeless young people. In this way, STREAT separates the financial returns from the social returns, approaching these value types with very different logics, seeking different outcomes and selectively decoupling logics (Pache

& Santos, 2013): market logic for the coffee roasting business to maximize profitability; and social welfare logic for its youth homeless services to address an unmet social need. STREAT's financial goals are to obtain enough working capital and surpluses to maintain its support services for homeless young people, to be able to continue to deliver the social benefits and outcomes the organization is seeking. So, while it may derive financial gains from both its cafes that provide both social and financial value, it also pursues financial gains from businesses such as the coffee roastery to bolster its financial revenues to support the social mission that requires financial resources.

An autonomy value approach reflects a relationship between financial and social/environmental value that can be seen as quite separate, with financial value subsidizing or enabling social or environmental value. Financial value can be derived from both social and non-social value generating sources or created in effect generating net negative or net positive environmental value. For example, in the case of STREAT, its coffee roastery is operated to maximize profits, which likely creates net negative environmental impacts through water consumption, greenhouse gas emissions, packaging waste, etc. as a result of its operations to source, transport and process coffee beans. The roastery may also create either net negative or net positive social value depending on social principles instituted in sourcing, transporting and processing coffee beans, such as labour conditions, wage conditions, farming practices, etc. However, this financial value vis-à-vis profits from the roastery can then be invested in helping to minimize environmental impacts from its café operations and produce significant social returns, measured along scales of stability and well-being for its homeless young trainees.

Depicted in figure 5.5 by a horizontal blue dotted line, organizations define a minimum financial threshold (see also s.5.1.7), such as a break-even point or minimum cash flow requirements that defines financial autonomy, or the ability to make independent decisions about how to invest its financial resources. This minimum financial threshold allows financial resources to be invested in social and environmental value creating strategies. At CERES, meeting this financial threshold may trigger an investment in an environmental technology display or an environmental education

module. Whereas previous grant money at CERES had been tied to particular projects and particular donor requirements, financial autonomy is enabling the creation of social and environmental value in the way the organization deems most appropriate.

Figure 5.5 may also serve as one interpretation of ‘enabling value,’ described in the next section (s.5.1.5).

5.1.5 Enabling value

Akin to autonomy value, enabling value is a type of hybrid value where organizations deliberately focus on one value in order to enable the creation of another value, moving between logics. One component value must precede the other meaning one component value is instrumental to creating another value (e.g. social value enables financial value); equivalently one logic reinforces another logic. However, in contrast with autonomy value, where the motivation is to obtain financial viability or autonomy in order to fund social or environmental value strategies, enabling value can apply to all three component values: financial, social or environmental. This means that organizations that adopt the enabling value type can position financial, social or environmental value as an enabling or instrumental value in generating more financial, social, or environmental value. Thus, autonomy value is a sub-type of enabling value.

Figure 5.6 provides a visual diagram—extrapolated from the case study of NAB—that depicts enabling value. NAB provides an illustrative example of enabling value, wherein participants describe how financial value, in the form of profits, can enable the investment into social and environmental initiatives, which in turn can drive social and environmental value for external stakeholders as well as brand value for the firm. This, in turn, can lead to improved customer and employee engagement via values alignment and reputational benefits, which can drive an increase in the strength of relationships, volume of sales and transactions, in turn driving revenue or financial value. Here, financial value enables social and environmental value; however, social and environmental value also enables more financial value (fig. 5.6).

This was the fourth model to emerge during data analysis (see Table 5.1), when I interpreted participants' descriptions of how one type of component value could drive another type of component value, and thus was dubbed 'Model 4: Virtuous Circle'. This was particularly apparent at NAB, Goodstart, Bankmecu and STREAT that approached value in very different ways but all saw the need to tell the story of a 'virtuous' value circle. Whereas NAB saw a 'financial first' logic driving investment into social and environmental value strategies, which in turn drive financial value through employee engagement, customer engagement and community engagement, STREAT felt that value was driven by the environment or nature first, as the *"ultimate sustainer of everything"* [ST1]. However, STREAT also felt that by building a financially robust business model, it could both attain autonomy to freely maximize investment in its social mission as well as create leverage and credibility in its partnerships.

Regardless of the primacy of component values, the idea of a virtuous circle was that investing in one type of component value would drive the ability to return other types of component value, creating a reinforcing or 'virtuous' circle (fig. 5.6).

As an example of enabling value, figure 5.6 illustrates a 'financial first' market logic where financial value represents the first threshold to enable the 'virtuous' circle to begin, allowing social and/or environmental value to also drive financial value, in turn driving more investment into social and/or environmental value. This type of logic is highly reflective of the shared value literature that is derived from the corporate responsibility literature, where hybrid value is tacitly organized hierarchically, with financial value implied as the most essential type of value, or as one organization put it, *"money is like food for business"* [SG1].

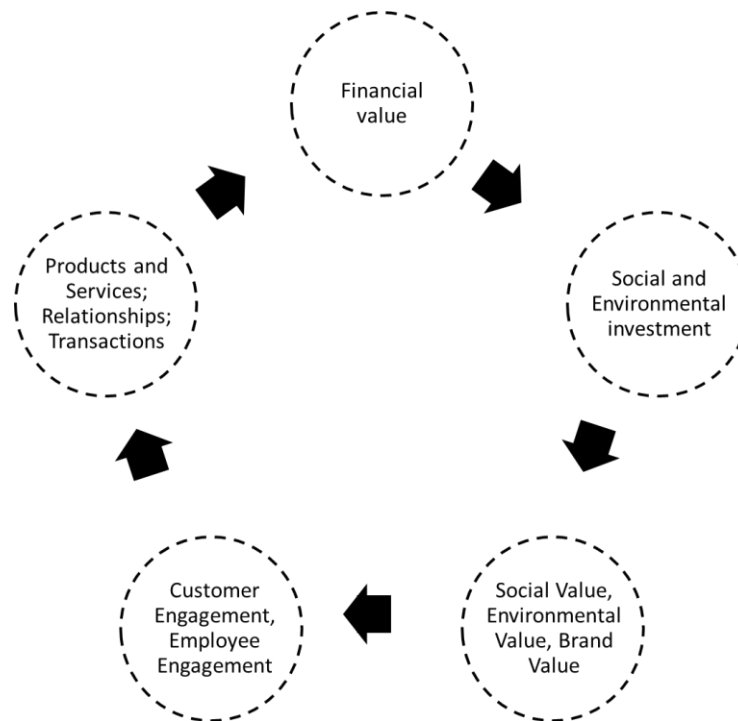


Figure 5.6 ‘Enabling value’ (‘Model 4: Virtuous Circle’)

Like shared value, enabling value (including autonomy value) defers to a system of monism, where one logic is dominant, resulting in the dominance of one logic and resulting primacy of one value outcome (W.R. Scott, 2008; Tetlock, 1986) (s.2.5). There are value relations between the different types of value enabling one another, and issues of aggregation are addressed as the types of value can be separated by time and level. Incommensurability issues are addressed by measuring value types along their respective scales; however, it is somewhat less clear how they may relate to one another beyond triggering an investment into another type of value.

Enabling value, shared value and autonomy value provide concepts that suggest that multiple logics can co-exist by mutually reinforcing one another, aligning with the view that plural logics can be combined and/or compromised (e.g. Oliver, 1991; Battilana & Dorado, 2010).

5.1.6 Internal Value

‘Internal value’ is a type of hybrid value that acknowledges value is dependent upon and part of an internal landscape, where actors both shape the meaning and strategies of organizational value creation as well as experience benefit or misalignment on a cognitive, emotional or spiritual dimension. The only mention of internal value in the extant hybrid organization literature is a footnote in Emerson (2003) that acknowledges blended value does not include internal values. However, 14 of 49 case study participants across three cases cited that hybrid value can be highly reflective of the individual emotional, psychological, or spiritual elements that define both organizational value drivers and value assessment for actors. One participant at CERES highlights the importance of acknowledging an internal dimension to value.

Something about people’s internal life...spirituality...that’s often missed out of these kind of models...because we’re a little bit afraid to talk about it. It’s a bit wacky. It’s a bit hippy or something....we’re happy to talk about social, environmental, ecological; we’re happy to talk about financial, economics, even psychological is ok. But, I think we’re afraid to go to that ‘other place’...I think that’s why most people come to CERES...[and] I think that’s also why we have trouble defining why we’re here, CERES as an organization...because in my internal space, all those things have value. I want people to have good jobs, be able to feed their kids, and work in a fair environment. And I want the land to not be polluted and every drop of water that I drink not to be polluted, the fish not to be dying. Like, everybody wants that. [CER2]

For participants who talked about internal value, they referenced ‘feelings,’ ‘perceptions,’ or ‘knowing’ as a proxy for assessing value. These types of internal dimensions of value suggest that subjective measures may serve as appropriate tools for documenting the internal aspect of hybrid value. For example, Small Giants participants use subjective assessments to guide their investment decisions that seek to maximize financial value by investing in a portfolio of companies, products and services that align

with its archetypal customer's values. This archetypal customer is derived from the values of the Small Giants team, meaning that the internal dimension of value is arguably the most important determinant of how value is perceived, created, and assessed. Upon making an investment decision, team members at Small Giants are asked to give subjective scores from 1-10 of 'how full they feel' about the financial return possibility, the social/environmental impact potential, and the passion of a project. At Small Giants decisions are guided by people: individuals who simultaneously draw on experience, logic, emotion, factual information and values to come to an assessment of how much 'value' lies in a potential investment opportunity. This internal landscape is a critical part of how organizational value is determined along multiple scales, some of which have no measurable scales.

The question around how to make the decision, I think, is one that might need to be much more intuitive. I think it's too complicated, too complex to put a formula around. And that's something in our society today, to achieve that balance [between competing values], I think we've lost that. And, virtually, if it's not measurable, if there's no formula, it doesn't exist...[But some] paradoxes we can't resolve. You can't measure it. You can't use any formula or logic to solve it. So, I kind of feel a little bit like some of the decisions we need to make need to come from a place that allows for experience and intuition to rule. [SG6]

The analysis points to the importance of acknowledging the internal values landscape of individuals or stakeholders that influence the logic of the organization. Supported by the growth of both end users and employees seeking to align their values with their purchases and employment choices, internal value clearly holds influence over the value orientation of the organizations I interviewed. For example, the LOHAS market (Lifestyles of Health and Sustainability), is estimated to be a US\$290 billion marketplace for consumers who wish to align their values with their purchases (Lohas.com). Additionally, Ray & Anderson (2000) note that as of 2000, there were an estimated 50 million 'cultural creatives' in the US alone, a population defined by shifting values including: authenticity; engaged action and whole process learning; idealism and

activism; globalism and ecology; and the importance of women. As employees, customers and community stakeholders shift their values and corresponding expectations and behaviours to align with those values, they influence how organizations respond to and reflect these values.

In contrast with principles of internal value, the extant literature on hybrid value points to the necessity of measurable scales (s.2.5.3.3). Financial value is often determined along a cardinal scale of how much money can be gained or lost. Environmental value from an organizational perspective is often assessed along measurable quanta of impacts avoided or produced/consumed, such as water usage and degrees of pollution. And social value, though hotly debated across the literature (s.2.4.1) (Murphy & Coombes, 2009), is often ‘measured’ in some fashion whether through subjective improvements in beneficiary scales of well-being or numbers of people impacted/helped or through a ‘social return on investment’ assessment that quantifies subjective and objective measurements to come out with a percentage social return per dollar invested (see Chapter 9).

Figure 5.7 provides a conceptual visual diagram for internal value that was derived in analysis from the Goodstart case study, where value was described as a type of value constellation for multiple beneficiaries, reflecting internal dimensions of value creation and value assessment along multiple scales. In the case of Goodstart, value was described as a four-pronged cycle, reflecting the enabling value model (fig. 5.6) to reflect how the organization as a whole interprets its value creation strategy, including understanding its value drivers. However, when value was discussed in reference to the organization’s beneficiaries, there was a much more nuanced discussion of how value is internalized or captured and retained by both individuals and groups. For example, Goodstart’s ‘beneficiary value constellation’ (fig. 5.7) depicts how value is created for three beneficiary groups: children, families and society.

In figure 5.7, different types of value are created for these groups across two different time scales: the present and future. Goodstart feels it creates value for children in the

present by creating a sense of well-being, safety and a sense of belonging to place and community. It also sees that it creates value for children into the future by contributing to skills that lead to a future ability to earn income. Value is also created for families by creating a sense of belonging to community by connecting with other families and offering support services through partner organizations. Families also benefit as Goodstart enables workforce participation, which can contribute to a family's financial stability. The value created for both children and families can, in turn, drive value for society by supporting productive, contributory citizens that earn income and contribute to a tax revenue base as well as feel a sense of connection to their communities through extending their sense of belonging. Figure 5.7 depicts Goodstart's value constellation that reflects how internal value can be a part of organizational value.

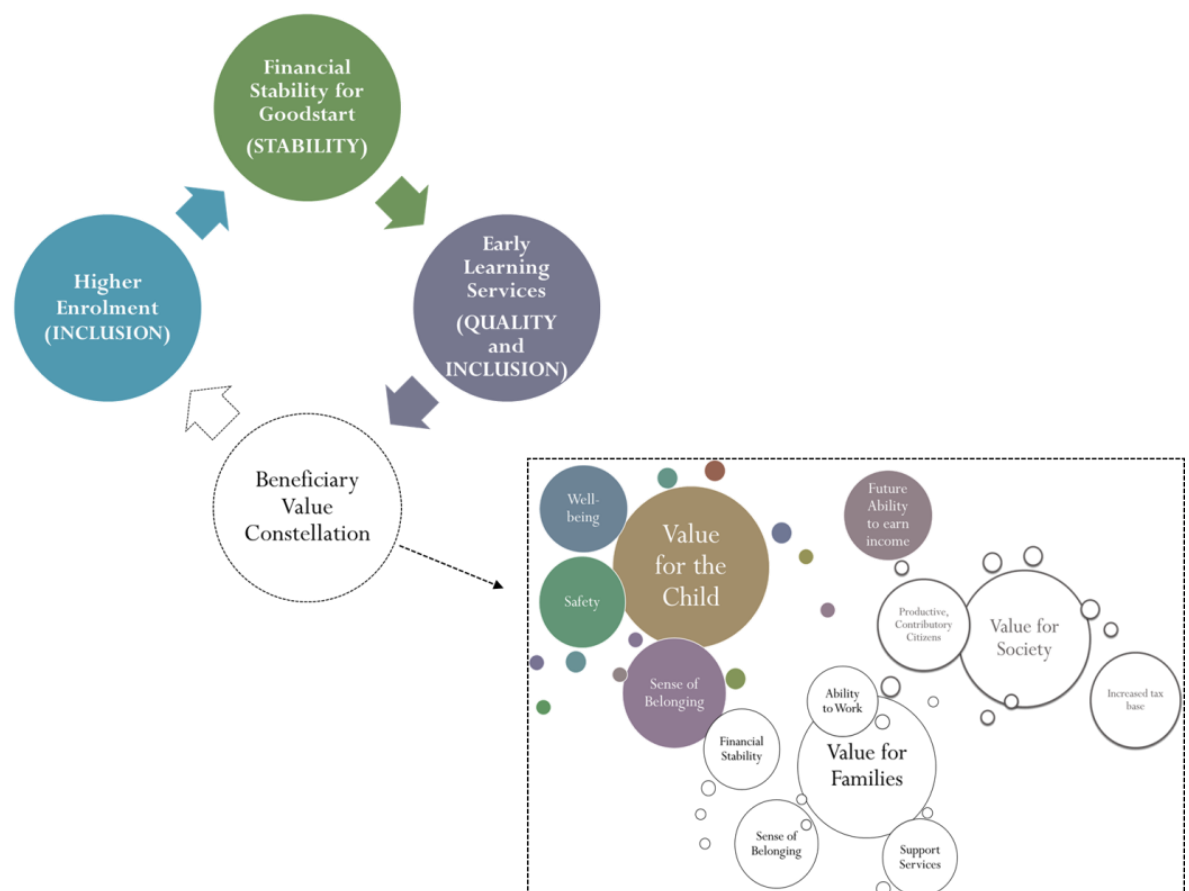


Figure 5.7 Goodstart's value constellation

Figure 5.8 offers a visual diagram to reflect the concept of internal value as an addition to the literature on hybrid value. While internal value may both inform an organization's value creation strategy as well as influence how value capture and retention is assessed, it is important to note that the only appropriate measurable scale suggested by my participants, may be a subjective assessment.

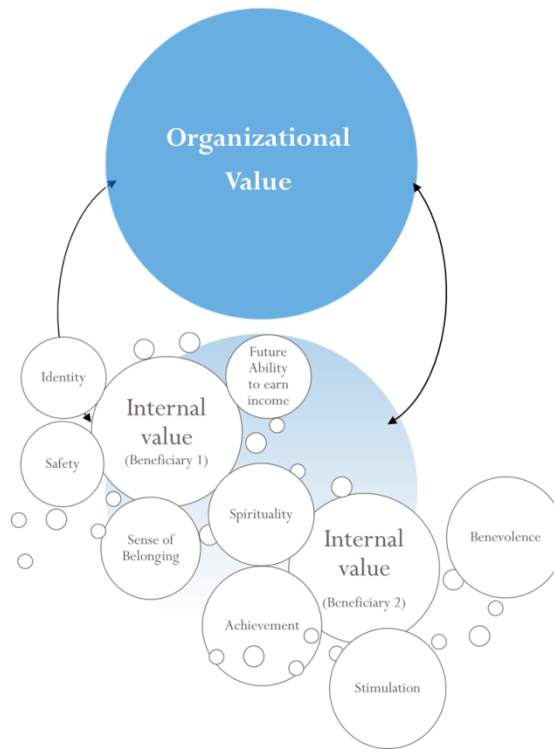


Figure 5.8 'Internal value' ('Model 5 Value constellation')

Figure 5.8 was the fifth model (see Table 5.1) derived during data analysis and depicts how value can appear as more of a constellation, with different types of value across different time scales and for different beneficiaries. For example, employees, customers and beneficiaries of organizations' social missions may both influence organizational value orientation and experience either a value resonance or misalignment in the dimension of internal value.

Internal value suggests that individuals bring their values to bear as customers and employees of an organization and influence the balance and orientation at that organization between market logic, community logic or other types of logic.

Internal value certainly allows for value plurality, as individuals simultaneously hold multiple values, and there would be relationships between and amongst value sets internally that lead to decisions and outcomes. Because the internal landscape is cognitive, emotional, spiritual and subjective, values are commensurable, as they are weighed up internally on the same subjective scale. Internal value logic also addresses the challenges of aggregation as an individual can assess value created based on his/her various roles and time scales.

Rather than integrate 'internal value' into other hybrid value models, such as figure 5.5, the value quadrants model, an acknowledgement of the internal value dimension may be to incorporate a subjective assessment tool into the cardinal scales that measure financial, social, environmental value, as was demonstrated by Small Giants participants. However, my data analysis suggests that an alternative approach arising from the discovery of internal value may be to consider another component value type in addition to the financial, social, and environmental that is more reflective of internal value or a 'values'-based dimension. While not always explicitly acknowledged, internal value, a new contribution to the literature on hybrid value, is observed to be playing a tacit role in the determination of organization value.

5.1.7 Threshold value

All six cases referenced that the complex decision-making in navigating hybrid value relied on thresholds and limits that determined how financial, environmental and social value types relate to one another. For example, in figure 5.5, depicting autonomy value, the minimum financial threshold is a minimum financial value that must be obtained before an organization is able to invest in social and/or environmental value strategies.

NAB referred to minimum environmental and social thresholds that inform bank risk filters, creating negative screens if the environmental impacts (negative environmental value) or social impacts (negative social value) are too great to justify a loan. For example, investing in developing the Great Barrier Reef triggered an environmental minimum threshold. While the opportunity was legal and presented an opportunity for financial returns, the project's reputational effects were too great due to the highly public nature of the potential environmental harm.

Small Giants referred to financial maximum thresholds or upper limits at which point financial value should then be converted into social and/or environmental value. For example, if an investment returns a healthy financial rate or return, allowing the team to get fairly remunerated and all co-investors to be at or above market rates, the leadership team at Small Giants feels that there should be an upper limit at which point the 'surplus' returns should be invested in increasing the social and/or environmental value as well. This might take the form of installing environmental improvements in a property investment or lowering the price of a product so more customers can have access to it.

Small Giants also applied this principle of financial maximum thresholds to its payroll strategy, where it has set a limit of maximum pay discrepancy within the firm to be on the order of six times, in contrast with ASX50 companies where CEO pay is more than 100 times the average worker (ACTU, 2010). Beginning with the question based on individual needs, Small Giants determines salary levels by asking staff, "*What do you need? What's an appropriate amount?*" [SG6]; thus meeting the financial minimum threshold of individuals. However, it does not ask staff to determine salary levels based on a "what do you want?" approach, as it expects to meet the financial requirements of both its team members and the business without leading other to a point of "*obesity,*" [SG6] or surpassing financial maximum thresholds that compromise organizational values. This exercise has resulted in a very flat pay structure, where the difference between the highest paid and the lowest paid in the company is three times.

Figure 5.9 demonstrates the principle of threshold value by plotting Small Giants on the value quadrants model to reflect its minimum and maximum threshold values. The lower blue horizontal dotted line represents a minimum financial value threshold, such as break-even or risk-adjusted return minimum requirement. The upper horizontal blue dotted line represents the maximum financial value threshold, after which point, excess profits are diverted to social/environmental outcomes. As an impact investment firm, Small Giants also has set a minimum social/environmental threshold value, depicted by a green vertical dotted line, where investments have to deliver a tangible positive social and/or environmental benefit. The exception to meeting this minimum threshold is if intuition or passion (see internal value, s.5.1.6) override the lack of social/environmental benefit, which participants felt led to more future social/environmental benefit via the recruitment of a new partner or future co-investor or a project that could later augment additional layers of value. An example of this was given when selecting to invest in a traditional real estate project with no social or environmental benefit in order to build a key relationship that could later be leveraged for maximizing ‘greener’ real estate development projects that had the ability to deliver hybrid returns.

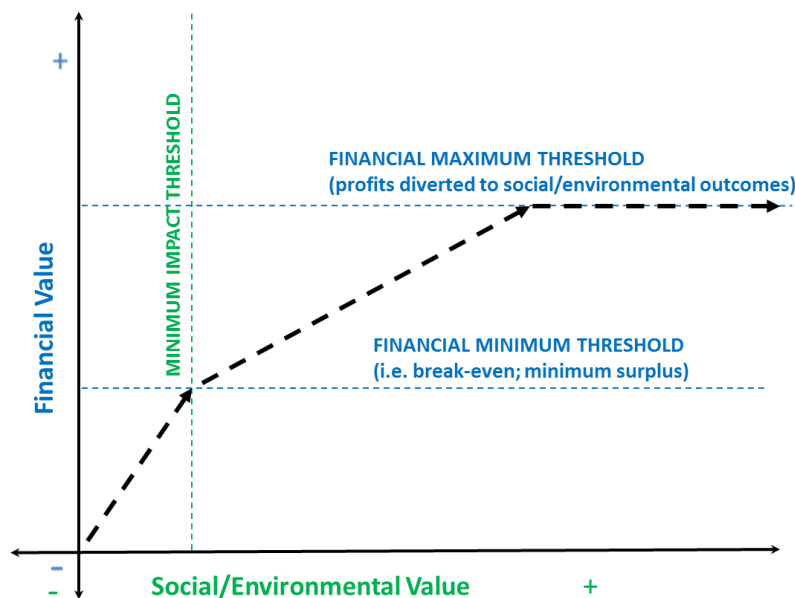


Figure 5.9 Threshold values in the Small Giants portfolio

In this type of value, thresholds determine the switch between logics, again signalling a selective decoupling between logics (Pache & Santos, 2013). For example: plural logics incorporating market, community and social welfare logics determine the growth of the organization until it meets its minimum thresholds, at which point the logic mix may change slightly based on opportunities and internal values. When a financial maximum limit is reached, the organization eliminates market logic and is dominated by either community and/or social welfare logic, resulting in a different mix of value outcomes. Because thresholds create signals to determine the mix of logics, value can either be plural or monistic, and the limits acknowledge the relationship between values. Commensurability is addressed by allowing each value type to operate on its own scale, and the relationship between scales is determined at a subjective organizational level. Issues of aggregation are not explicitly addressed.

5.1.8 Value swapping

Value swapping is a term that emerged during data analysis to describe an approach to creating hybrid value by swapping between value sub-types. All six cases referenced this behaviour of swapping one form of value for another to create a more balanced or well-rounded composite of total value (Figure 5.10).

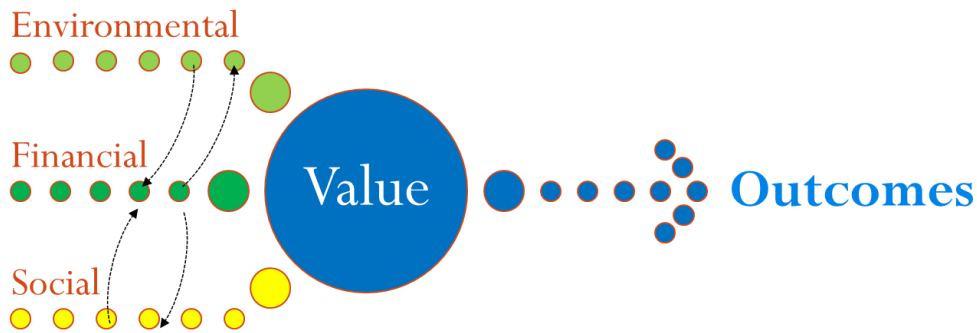


Figure 5.10 'Value swapping'

For example, STREAT practices value swapping by generating financial value in the form of revenue from sales of food and beverages across cafés, catering businesses, and a coffee roasting business. This financial surplus is subsequently invested in STREAT's social mission, supporting the homeless youth population with services. In this way, STREAT is swapping financial value for social value. STREAT accepts trade-offs, but as an overall portfolio of businesses, it can balance the total picture of value by swapping types of value across activities and sites (see also figs. 5.11 and 5.5). In other parts of its business, STREAT makes deliberate decisions to trade off higher profitability for greater social impact.

If we were a pure business, there is one of our cafes we wouldn't run ...But for us, it provides so many hours of training and employment to our young people and it's the place where we've built so much community, and there's so much other social value that we get out of that site...And on the flip side, the coffee roastery isn't...where the social impact is coming, but it is part of our supply chain and it makes incredible amount of sense for us to have a higher margin, highly profitable part of our business that then helps all the others be more financially sustainable. So, normally if you were either/or, you would chop off the margins of our business, but it's actually the diversity of it that makes it work. [ST1]

Although the value concept idealized by STREAT participants has elements of non-divisibility or an aspiration of blended value (Emerson, 2003b), the mechanism of 'value swapping' suggests that the mechanism to create blended value requires an approach of divisibility in practice to synthesize a composite notion of total value. Again, this reinforces the perspective that the co-existence of multiple logics is reconciled by selective decoupling (Pache & Santos, 2013). However, like many other 'types' of value discussed in this chapter, each of the logics is dominant in its own time, meaning that these case study derived illustrations of hybrid value do illustrate how multiple logics can co-exist by dividing logics between actions, projects, or time intervals, as is the case in value swapping.

Figure 5.11 offers one illustration of STREAT’s value swapping principles on a value continuum or ‘trade-off’ model. This was the first mental model (see Table 5.1) that I derived and adapted from the literature (Alter, 2004) to stimulate discussion in interviews about how multiple values could be held in relation to one another. However, after the first interview, participants began challenging this model, offering model 2 (fig. 5.5.1), model 3 (figs.5.1-5.2), model 4 (fig.5.6) and model 5 (fig. 5.8) as additional mental models to describe how component values related (Table 5.1).

In this continuum model (fig. 5.11), financial value, at the far left of the linear continuum is traded-off in order to pursue social and/or environmental value, situated at the far right of the linear continuum. As an organization moves toward one end of the spectrum, it trades off value at the other end of the spectrum. The middle point of the line represents a hybrid value point where both types of value have been traded off to achieve a desired point of balance between the component values.

Nineteen participants across all six case studies rejected this model stating that value should not be traded off or that it represented a “*false dichotomy*” [SG6] whereby one participant described this model as *‘trading off financial value means an organization can’t survive or thrive and trading off social/environmental value means creating a world not worth surviving in.’* [SG6] However, seven of 49 participants believed that the mental model of trading off value was still the most relevant model for their organizations.

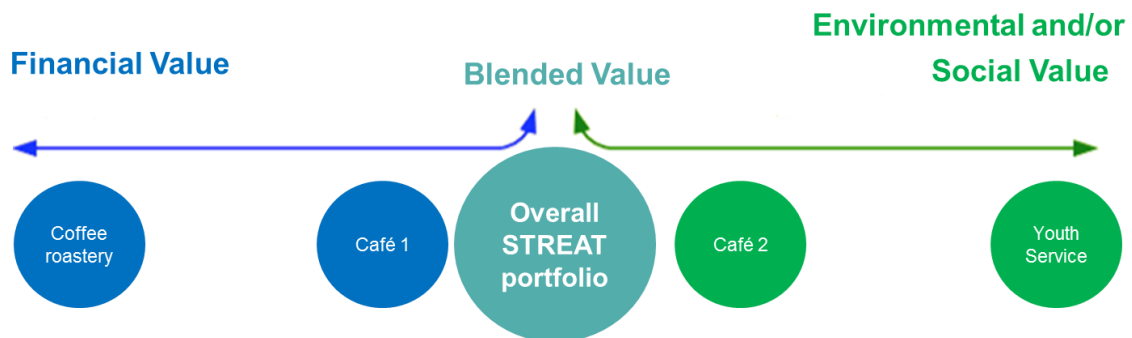


Figure 5.11 ‘Value swapping’ to arrive at hybrid value (STREAT, adapted from Alter 2004)
 (‘Model 1 Value continuum or trade-off’)

Figure 5.5, the value quadrants model, also illustrates value swapping, where financial value is exchanged for social and/or environmental value in a step-wise fashion.

The mechanism of swapping illustrates how organizations implement selective decoupling of institutional logics (Pache & Santos, 2013). Case studies were observed alternating between logics also to arrive at a more cohesive composite that can be defined as a plural institution.

Value swapping may speak to value being framed differently across levels of analysis. For example, at the parent company level, total value may be comprised of a balanced composite of social, financial, and environmental value, albeit along different scales. This benchmark of total value can then guide strategic practices and tactical decisions at the site or portfolio company level. ‘Value swapping’ may be one way to demonstrate how organizations are bridging value concept or aspiration to practice, or explaining how some plural institutions (see Chapter 2) manage to maintain plural logics through selective decoupling.

Value swapping does defer to a system of monism, as one value type is dominant and then swapped for another, which in turn may become dominant for a time. Value relations can be observed in the exchange of one for another. It is somewhat abstract or unclear how commensurability is addressed in ‘adding’ up the streams of value to create the composite whole, which appears by companies to be a subjective assessment of total value. That is, if organizations feel they’ve met or exceeded their various value targets or thresholds, they may subjectively deduce that ‘enough’ value has been created and it does not need to be additive other than in concept. Although this value type also does not make explicit issues of aggregation, it could be deduced that value could just as easily be swapped across time and level as it could across value sub-type.

Table 5.1 summarizes the five visual models that represent the mental models of value that participants used to describe the relationships between hybrid value components.

5.2 Which logics are observed?

During data analysis, it became clear that not only were participants describing different relationships and components of value, but they were also describing how they draw on different institutional logics in determining value orientations. In this section, I summarize my findings to clearly outline the institutional logics that participants referenced to describe how their organizations were defining and creating value.

Participants from all six case studies made statements that illustrated four different institutional logics: (1) market logic; (2) community logic; (3) social welfare logic; and (4) intrinsic logic. While the first three types of logic are found in the literature (s.2.5.1), the fourth type of logic emerged from data analysis to describe a unique approach to attributing value (s.5.2.4). As such, I have included a table with sample quotes, demonstrating how each case illustrated each of the three established logics (s.5.2.1-s.5.2.3), and I have further defined and explained the derivation of intrinsic logic in s.5.2.4.

5.2.1 Market logic

All six case studies displayed varying degrees of upholding market logic (s.2.5.1), emphasizing organizational focus on financial revenue and profits (Table 5.2).

Table 5.2 Examples of market logic (BM=Bankmecu; CER=CERES; GS=Goodstart; NAB=National Australia Bank; SG=Small Giants; ST=STREAT)

Case	Quote reflecting market logic
BM	<i>Well, we are a bank so we do need to obviously make money [BM3]</i>
CER	<i>I think happily for us we've been forced to focus on financial value [B2]</i>
GS	<i>That's the whole point of our organisation, we want to operate like a large corporate business because that's what enables us to create the surplus that then enables us to create shared value [GS2]</i>
NAB	<i>It boils down to making money [NAB13]</i>
SG	<i>Money is food for businesses. And if you don't have enough, then you starve [SG6]</i>
ST	<i>We're talking about getting to financial stability with balancing the business with, internally balancing that business with the social side [ST4]</i>

5.2.2 Community Logic

All six case studies also cited examples of community logic (s.2.5.1), illustrating how their organizations were connected to and a part of different communities (Table 5.3).

Table 5.3 Examples of community logic (BM=Bankmecu; CER=CERES; GS=Goodstart; NAB=National Australia Bank; SG=Small Giants; ST=STREAT)

Case	Quote reflecting community logic
BM	<i>We're sort of trying to support the community that underpins our existence as well [BM3]</i>
CER	<i>We're a place, so a community site, we're on public land [CER4]</i>
GS	<i>It's really important that the community are engaged... and that we create community value and community impact [GS3]</i>
NAB	<i>Banks are still intrinsically a part of the community, through their branch networks, and we employ lots of people, and we have loans on the houses that are burning down. We are part of that. So, we have a responsibility and, not just that, but we are a part of it. [NAB3]</i>
SG	<i>Who do we touch through our product and how do we support the community we touch? [SG6]</i>
ST	<i>Because [our café] in a suburban community, it has built a real community around it...we have our first groups within Flemington who are working with us to try and address homelessness and disadvantage specifically within Flemington [ST1]</i>

5.2.3 Social Welfare Logic

Additionally, participants at all six cases provided examples of social welfare logic (s.2.5.1), describing how their organizations are striving to address a social need (Table 5.4).

Table 5.4 Examples of social welfare logic (BM=Bankmecu; CER=CERES; GS=Goodstart; NAB=National Australia Bank; SG=Small Giants; ST=STREAT)

Case	Quote reflecting social welfare logic
BM	<i>The business tends to remain relevant and sustainable, by understanding very clearly what are those social and environmental needs that the people who own this bank have and aligning the business of banking to addressing them, and if we continue to do that, then the business continues to remain relevant [BM5]</i>
CER	<i>[Our purpose] was to foster wider public education and research in relation to... equitable access to energy and resources, useful and meaningful work [to address unemployment] ...and establishing a more environmentally sound pattern of life [CER3]</i>
GS	<i>We created a broad social inclusion strategy [GS3]</i>
NAB	<i>We can prove that over 3 million adults don't have access to financial services. So, it is a platform for us to be able to quantify the size of the issue and it highlights why the work is so important. [NAB3]</i>
SG	<i>I think you could argue on the social/environmental side, there is no middle point. Because there's no comfortable point of people living in poverty. We want zero poverty [SG6]</i>
ST	<i>Yeah, so our purpose is about stopping youth homelessness [ST1]</i>

5.2.4 Intrinsic logic

The fourth and final logic that emerged from the data was a unique type of logic that describes a distinct approach to attributing value: intrinsic logic.

Intrinsic value is defined as valuing something for its inherent nature or respecting what it is (Moore, 1922) (s.2.4.1.4) and is a type of valuation seen in the ethics or philosophy literatures but also in the deep ecology literature that values nature for nature's sake (Naess, 1973) (s.2.4.1.3). This type of value contrasts with utilitarian or instrumental value that determines the worth of something based on its usefulness or utility to an individual or group. While intrinsic value is discussed in other bodies of literature, it is absent from the hybrid organization and hybrid value literature.

The institutional logics literature is also devoid of reference to the logic reflected by intrinsic value. This type of logic, “intrinsic logic” would likely apply to organizations seeking to create value or outcomes for the sake of beneficiaries, such as the natural environment, vulnerable groups (i.e. children or homeless youth), or cultures (i.e. indigenous cultures). In contrast, shared value organizations might invest in creating value for beneficiaries in order to drive reputational benefits, thus following a market logic. Other organizations might term this community logic to acknowledge their connection to their surrounding communities, including vulnerable groups. However, at times, as described by [CER2], organizations may do it because people at those organizations “*loved the earth*” or as 15 of 16 NAB participants put it, “*it’s the right thing to do.*” This may suggest that organizations who follow the logic of doing something because there is intrinsic value in doing something—to respect a child for being a child, the environment for its inherent worth in its own right, a culture for being what it is—rather than being instrumental to the organization is following a unique type of logic, an intrinsic type of logic.

The logic of valuing something intrinsically was identified in the Goodstart case study, where participants discussed respect for individual children and individual families, respecting and valuing each child’s routine, developmental skills, and needs based on individual characteristics. This type of intrinsic logic both drives the value strategy to create tangible benefits for children in the way of well-being, a positive sense of self, and a sense of belonging to a safe and welcoming community (fig.5.7); as well as informs the value assessment process where Goodstart reflects on what type of value was created and for whom value was created. This process focuses on the primary beneficiaries of children and families while acknowledging society also benefits. This emphasis of valuing each child for who he/she is informs the outcomes Goodstart is seeking, thus driving the value creation strategy based on the survival of the organization and the value for its beneficiaries. Figure 5.7 captures how intrinsic logic is a part of the hybrid value landscape, depicting how Goodstart places the beneficiary value constellation within the scope of its organizational value strategy.

Participants at CERES, Small Giants and STREAT also referred to intrinsic logic in relation to nature and the environment. These comments referred to valuing nature for nature's sake and connecting with the inherent value of something based on its own worth rather than a sense of utility or monetizing a commodity. The notion of intrinsic value was reflective of the discourse on internal value, as attributing inherent value was described as coming from a complex internal landscape rather than one that could be determined by formulae or rationality.

It's not a brain thing...no one became an environmentalist because they thought it was going to be good for the grandkids or it was going to help save money or whatever. They did it because they loved the earth...and to appeal to somebody's sense of economic rationalism or whatever instead of their love, fear and pain is to do a disservice to both. [CER2]

There appears to be two distinct types of logic at play in my case studies when seeking to create environmental value. There is intrinsic logic, which relates to investing in creating less negative or more positive environmental value because of the belief that it is the right thing to do. And there is market logic, which relates to seeking greater returns for the organization either through operational cost savings or reputational benefits that can come from environmental improvements. For example, by increasing energy efficiency, an organization might both save operational expenses, cutting costs and reduce environmental pollution and resource use. This could be driven by both market logic and intrinsic logic. Whereas paying a premium for procuring a more environmentally friendly product, such as recycled paper, non-toxic cleaners, or organic produce—all examples cited by my case studies—suggests that there is more of an intrinsic logic at play.

After analysing my case studies, it became clear that there was a distinct approach that organizations were describing to attributing value because it was 'the right thing to do' or there was inherent worth in doing so. None of the documented logics in the extant literature were capable of describing this observation. Intrinsic logic is a new concept to

the literature and describes a set of beliefs guided by an internal moral compass, dictating that there is a morally superior or ‘right thing to do’ to ascribe value in a way that respects the object to be valued for what it is, as is observed when valuing nature for nature’s sake or ascribing value to children because they have the right to be children and to thrive.

Table 5.5 Examples of intrinsic logic (BM=Bankmecu; CER=CERES; GS=Goodstart; NAB=National Australia Bank; SG=Small Giants; ST=STREAT)

Case	Quote reflecting intrinsic logic
BM	<i>This is the right thing to do [BM1]</i>
CER	<i>We need fish because we need fish for fishes’ own sake... I want people to have good jobs, be able to feed their kids, and work in a fair environment, and I want the land not to be polluted, and every drop of water that I drink not to be polluted, the fish not to be dying [CER2]</i>
GS	<i>The core of our work is working everyday with children and ensuring that they’re learning and developing and that their wellbeing is protected [GS2]</i>
NAB	<i>It comes down to a thing we say, they’re the right thing to do [NAB1]</i>
SG	<i>This is the right thing to do [SG6]</i>
ST	<i>Homelessness just felt like such a human right and a violation of someone’s human rights to not have a home [ST1]</i>

5.3 Summary of hybrid value concepts and institutional logics

This chapter has provided empirical evidence to illustrate extant approaches to hybrid value: blended value, shared value, and triple bottom line (s.5.1.1-5.1.3). I have derived four new types of hybrid value, including: autonomy value (s.5.1.4), enabling value (s.5.1.5), threshold value (s.5.1.7), and value swapping (s.5.1.8). My findings also revealed that internal value (s.5.1.6) is a component value in addition to the social, environmental and financial types of value that are most often associated with hybrid value (s.2.4).

Additionally, I have illustrated the institutional logics at play in my case studies in determining how organizations define value, including three extant or established logics—market, community and social welfare—and one new logic derived from my

findings—intrinsic. These findings, I believe, constitute a substantive contribution to the literature.

Table 5.6 summarizes the dominant institutional logics and hybrid value types by case study. I derived the dominant logics through coding the organizational practices (Chapter 7) cited by participants as those that create value. Table 5.5 provides a high level summary by case study of the logics and hybrid value types observed (for more detail, see Chapters 7-8). Internal value is not noted in this summary table as it was deemed to be a component value, much like social, environmental and financial value rather than describing the relationship of these components, defining hybrid value configurations.

Table 5.6 Institutional logics and hybrid value types by case study

(M=Market; C=Community; SW=Social welfare; I=Intrinsic)

(Concept=at the conceptual level; Implement =at the implementation stage)

Case Study	Dominant Logics				Hybrid value type(s)						
	M	C	SW	I	Blended	Shared	TBL	Autonomy	Enabling	Threshold	Value Swap
Bankmecu	x	x			concept						implement
CERES	x	x			concept			implement			
Goodstart		x		x					concept, implement		
NAB	x		x			concept, implement					
Small Giants	x			x	concept					implement	
STREAT	x		x				concept	implement			

Additionally, I have observed that my case studies largely navigate the co-existence of multiple institutional logics in the four ways outlined in the extant literature: (1) decoupling (e.g. Meyer & Rowan, 1977) (s.2.5), as demonstrated when more than one logic may guide the value concept but are decoupled at the level of implementation; (2) selective decoupling of logics (Pache & Santos, 2013) (s.2.5) through thresholds, swaps and alternating strategic framing where different logics become dominant in different

domains; (3) combining logics (e.g. Battilana & Dorado, 2010; Reay & Hinings, 2009; Greenwood et. al., 2011) (s.2.5) by creating an ‘additive’ approach where one logic is upheld and an additional logic is pursued in tandem; or (4) compromising logics (e.g. Oliver, 1991), as in the case of shared value where shareholder value (market logic) may be compromised in order to uphold social welfare logic, which in turn may augment shareholder value. My case studies provide empirical evidence to confirm these four approaches of navigating plural logics, as catalogued by Pache & Santos (2013) to understand how plural institutions are reconciling as well as contesting multiple logics and will be explored further in chapters 6, 7 and 8.

Through my analysis, I have alluded to the distinctions between logics, the underlying beliefs and principles that create organizational identity and guide actions and behaviours, and value types which are the expressions of logic and result from organizational actions and behaviours. Table 5.7 combines concepts from both the literature and the case studies to organize a summary of hybrid value concepts. This summary offers classifications and organizing concepts that can help researchers and practitioners differentiate between the nuanced hybrid value meanings and approaches that inform organizational value strategies, in turn driving organizational behaviours and ultimately outcomes. Table 5.7 also summarizes how institutional logics co-exist in each of the hybrid value concepts.

In both blended value (s.5.1.1) and triple bottom line (s.5.1.3), the value types remain conceptual, as the case studies failed to illustrate how these concepts translate to implementation, which meant that it was unclear how multiple logics were able to co-exist, although analysing the concepts suggest that it may require combining logics at the conceptual level and decoupling or selective decoupling at the implementation stage. In fact, my case studies reveal that for organizations that upheld a blended value or TBL conceptual ideal (i.e. Bankmecu, CERES, Small Giants and STREAT), they drew on another value concept at implementation level (Table 5.5). For shared value (s.5.1.2), autonomy value (s.5.1.4), and enabling value (s.5.1.5), my case studies revealed that a dominant logic enables a subordinate logic to become dominant in a cyclical fashion.

Internal value (s.5.1.6) reflects how individuals can hold multiple logics internally simultaneously, reflecting plural values and plural logics. Finally threshold value (s.5.1.7) and value swapping (s.5.1.7) demonstrate a process whereby limits or thresholds signal when a dominant logic becomes subordinate and vice versa.

Table 5.7 provides a typology of the eight hybrid value concepts that were presented in section 5.1. It summarizes the discussion from s.5.1-5.2 to synthesize: the definition of each type of value, key sources, case studies that exemplified these concepts, how logics co-exist, and the plural value issues that are addressed.

Chapter 5 Findings & Analysis: What is hybrid value?

Table 5.7 A Typology of Hybrid Value Concepts * (CD=cognitive dissonance; VR=value relations; I=incommensurability; A=aggregation)

Hybrid value concept	Description	Key Source(s)	Case studies	How do logics co-exist?	Plural value issues addressed*
Blended Value	Positive sum or composite total value, where value is comprised of social, environmental, and economic value; leaving one component value out is considered leaving value 'on the table.'	Emerson (2003)	Bankmecu, CERES, Goodstart, Small Giants	Combine (concept) and Selectively decouple (implementation)	CD, VR, A
Shared Value	Social value creation by leveraging core competencies to address social needs in market niches can create more financial value (revenue/profit for the firm), leading to different types of value that can be shared across stakeholders and levels.	Porter and Kramer (2011)	NAB, STREAT's partner	See 'enabling value'	VR, A
Triple Bottom Line	Three pillars of firm performance include: people, profit, and planet. The aim is to incorporate 'true costs' by acknowledging and minimizing social and environmental harm, while maximizing performance across all three pillars.	Elkington (1997)	STREAT	Combine (concept) and Selectively decouple (implementation)	CD, VR, A
Autonomy Value	Autonomy, or the ability for the organization to make its own decisions about value outcomes, is achieved by generating self-sustaining revenue and leveraging financial value to invest in social/environmental value; without financial viability, social/environmental value cannot be created.	Dees (1998); Yunus (2010); Castellás (this thesis)	CERES, Goodstart, STREAT	See 'enabling value'	VR, A
Enabling Value	One type of value enables or drives another type of value. For example, financial value can provide resources to invest in social or environmental value, which can, in turn, drive financial value.	Castellás (this thesis)	All cases	Compromise and Selectively decouple	VR, A
Internal Value	Value is dependent upon and part of an internal landscape, where actors both shape the meaning and strategies of organizational value creation as well as experience benefit or misalignment on a values-based, meaningful or spiritual dimension.	Castellás (this thesis)	Bankmecu, CERES, Goodstart, Small Giants, STREAT	Combine or Compromise	CD, VR, I, A
Threshold Value	The relationship between types of value is informed by thresholds or limits that determine minimum and maximum value points at which 'value swapping,' or switching from one type of value strategy to another, can be triggered.	Castellás (this thesis)	CERES, NAB, Small Giants, STREAT	Compromise and Combine	CD, VR, I
Value Swapping	Hybrid value can be created by deliberately separating and pursuing different types of value across different strategies or practices to create an amalgamated or composite whole. In this way, one type of value can be created and then 'swapped' or exchanged with another type of value created through another practice or strategy.	Castellás (this thesis)	All cases	See 'threshold value'	VR, A

5.3.1 A taxonomy of hybrid value types and institutional logics

Figure 5.13 links s.5.1 to s.5.2 and organizes the relationships between the seven hybrid value types (categorizing the relationships amongst component values), the four underlying component values (internal, environmental, social, financial), and the four institutional logics discussed in this chapter (social welfare, intrinsic, community and market) into a taxonomy. My contributions to the literature are denoted with an asterisk (fig. 5.13).

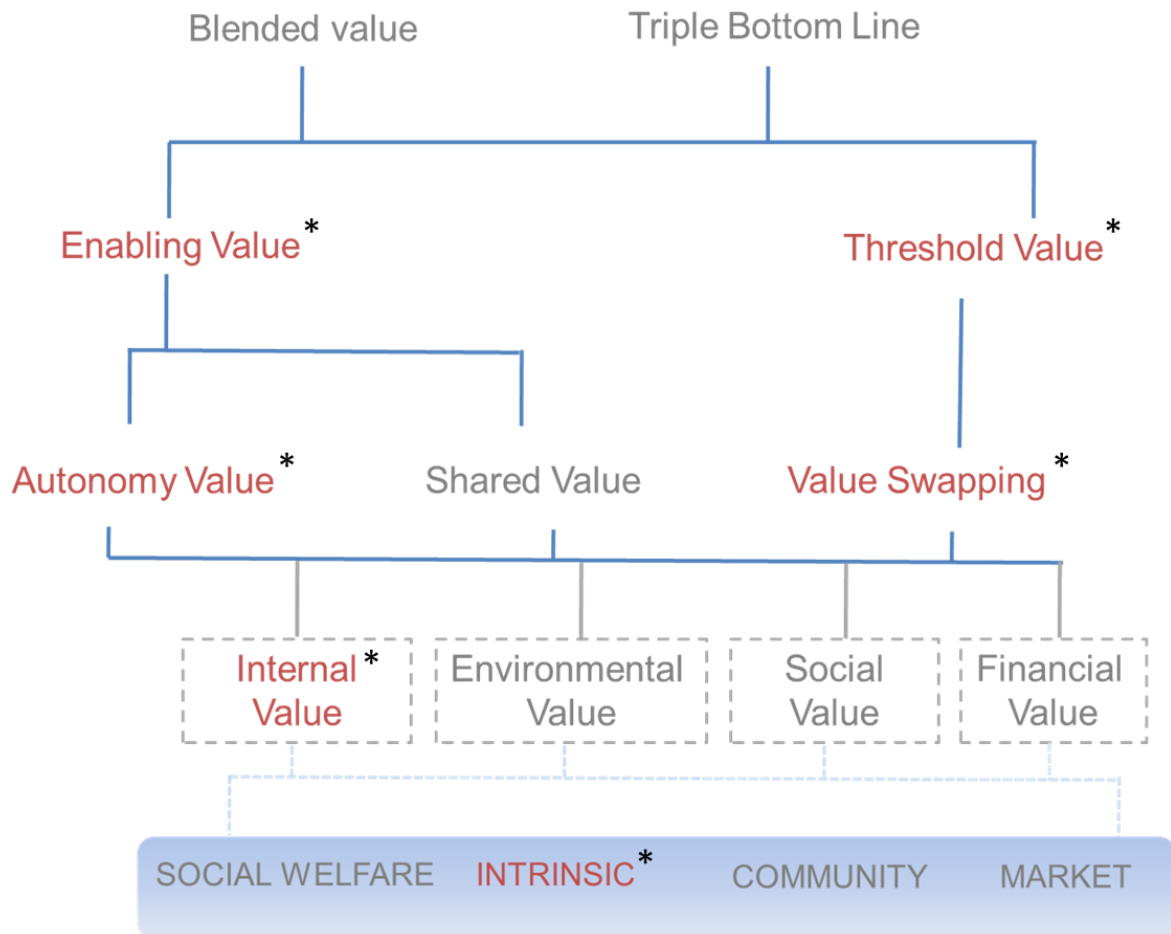


Figure 5.13 Taxonomy of hybrid value types and institutional logics

(*denotes Castellás, this thesis' contribution to the literature)

Chapter 5 Findings & Analysis: What is hybrid value?

At the top of the chart, blended value (Emerson, 2003) (s.5.1.1) and triple bottom line (Elkington, 1997) (s.5.1.3) demonstrate hybrid value concepts, meaning they reflect ideas or mental models about how multiple values can be represented.

In the next layer of the chart, enabling value (s.5.1.5) and threshold value (s.5.1.6) illustrate hybrid value strategies or the plans that guide how hybrid value can be created. For example, enabling value provides a strategy of pursuing one type of value to enable another, and threshold value informs the strategy of pursuing a particular mix of values that will shift based on triggering the limits or thresholds put in place by the organization.

Enabling value is an umbrella strategy for the implementation level approaches of autonomy value (s.5.1.4) and shared value (Porter & Kramer, 2011) (s.5.1.2), meaning these are sub-types of enabling value that can guide the practices of organizations. Threshold value (s.5.1.7) is an umbrella strategy for value swapping (s.5.1.8), which is a mechanism that demonstrates how organizations may implement the practice of pursuing one type of value, then another, swapping the types of value pursued by activity, project, department, or portfolio company.

Each of these layers that reflect hybrid value concepts, strategies and implementation level approaches result in outcomes, in figure 5.13 depicted as four underlying foundations of component values, highlighted in the grey boxes with dashed lines. Three of these component values—environmental, social and financial—were previously observed and commonly cited in the hybrid value literature and discussed in detail in chapter 2 (s.2.4). However, internal value (s.5.1.6) is a new contribution to this literature, and has been derived from my case study data. This suggests that in addition to social, environmental and financial values, internal value also constitutes the composite notion of hybrid value.

The final bottom layer in the hybrid value taxonomy (fig. 5.13) is the institutional logics layer that details the various institutional logics that were observed, depicted in the shaded blue box at the bottom of the figure. Market logic and community logic constitute

two of the seven major institutional logics in the literature (Friedland & Alford; Thornton et.al, 2012) (s.2.5.1). While social welfare logic is not one of these seven ‘major’ logics, it is cited and defined in the extant literature (Pache & Santos, 2013). However, I observed in my preceding analysis that there also appeared to be a distinct intrinsic logic relating to a sense of morality or valuing something for its inherent worth or in its own right that helps explain the underlying meaning, identity and rationality for organizational behaviour in a hybrid context.

Chapter 6 Findings & Analysis: Why hybrid value?

In order to understand how organizations are creating hybrid value, I first examined how my case studies were interpreting and defining value in chapter 5 (objective 1). In this chapter, I explore my second research objective: what drives organizations to pursue hybrid value. I discuss the findings based on participant responses in relation to the literature exploring why organizations are pursuing hybrid value. I draw on institutional logics to understand how logics may be informing the enabling conditions that drive organizations to engage in hybrid value strategies.

Participants offered responses that broadly fit into three categories that help explain why companies are pursuing hybrid value. In section 6.1, I discuss the driver of individual values coupled with social/environmental/financial need. In section 6.2, I address how organizations are engaging in the pursuit of ‘additional’ value. Finally in section 6.3, I discuss the legislative and normative pressures.

6.1 Individual Values + Perceived Need

Intrinsic logic + social welfare and/or market logic

By far, the most cited driver for why organizations are pursuing hybrid value was a combination of individual values in conjunction with unmet social, environmental and/or financial need as perceived by individuals within organizations. All six case studies provided evidence of this combination of drivers.

For example, at STREAT, the biggest driver for creating an organization built around hybrid value comes from the values and attitudes of key individuals, reflecting the importance of internal value (s.5.1.6). Central to this, of course, are the values of the entrepreneurs and founders of STREAT, who founded STREAT in response to a social need, an area of disadvantage as a moral issue, illustrating intrinsic logic (s.5.2.4).

Homelessness just felt like such a human right and a violation of someone's human rights to not have a home that it felt like the most extreme end of all of those other things. If you're talking about complex disadvantage, by the time the young person has hit the streets, pretty much everything else that you could imagine that could go wrong has gone wrong...so it really started with, for me, homelessness being such an enormous issue; it was a moral issue too big to walk away from. [ST1]

Describing homelessness as a “violation of someone’s human rights” speaks to the intrinsic logic where people are valued for being people and reflects an internal moral compass that guides internal values to adopt this logic. However, in STREAT’s example, there is also clearly social welfare logic at work, where participants are striving to address an unmet social need. This combination of individual values, reflecting an intrinsic logic and an unmet social need, reflecting social welfare logic are driving the organization to adopt its hybrid value orientation to employ market-based business models and commercial revenue streams to address an area of social welfare.

Many other participants alluded to the importance that individual values play in enabling STREAT to pursue hybrid value. For example, for STREAT’s partners, individual values alignment was cited as one of the most significant enablers for the partnership to begin.

I think the reality is that...if people in senior roles didn't believe in it, they wouldn't invest in it...there is an alignment in personal beliefs...it's an easy sell when you know that it's absolutely the right thing to do. [ST7]

At Small Giants, it is clear to see that the co-founders brought their personal visions and individual values to bear on the creation of a values-based company. All Small Giants participants acknowledged that the co-founders played the most significant role in defining the mission and value aspirations of Small Giants. In addition, the employees all

found their way to Small Giants through projects and networks, arriving at an organization where participants described their values-alignment with the business as *“pre-determined fate”* [SG4]. Participants felt that each employee at the firm was guided by values bigger than themselves, as if they were destined to make waves and create impact. *“You know in ‘Risk’ where you get the mission card? [Laughs] Took a mission card, and it said, ‘change the world’”* [SG5].

These individual values reflect personal visions and missions: to help others, make the world a better place, and address complex societal problems, again highly reflective of an intrinsic logic to ‘do the right thing’ not for utility but because of the intrinsic value of doing so. The way these internal values interact with the investments Small Giants selects relates largely to the perceived social needs, or *“in response to big problems of the world”* [SG4]. Participants felt that many of these big problems persist because *“the government isn’t necessarily fixing a lot of those problems, efficiently or effectively”* [SG2] reflecting a *“broken market, broken system...economic system”* [SG4]. This view is reflected in the hybrid organization and social entrepreneurship literature that sees unmet social need as a result of institutional failure (Mair & Martí, 2006), echoing social welfare logic.

These overwhelming social needs are a big driver for what participants felt were macro-level trends, creating feelings of unease and dissatisfaction in individuals. The pace and scale of these big social problems in tandem with greater information dissemination about these issues are what participants cited as drivers for new business models, fundamental *“massive shifts”* [SG5] that go beyond what participants saw as superficial changes introduced by the movements in corporate social responsibility. In fact, participants felt that the evolution of corporate responsibility, which they saw as moving from token philanthropy to some minor corporate strategy initiatives coupled with significant ‘green washing’ was part of the problem that allowed companies to do *“something superficially to offset some of their badness”* [SG5] without addressing the underlying problems they might be contributing to. Participants also felt that while ‘shared value’ was a more substantial shift by corporations to assess their impacts and

integrate community-sensitive behaviours throughout operations, there remains a question as to whether this is enough to address the scale of social issues, including those that business perpetuates (Nicholls, 2010).

Participants felt that one of the biggest drivers for a fundamental shift in the way value is defined by business would come from a new generation of employees, managers, and entrepreneurs internalizing the social problems of the world—internal value (s.5.1.6)—which would lead to businesses “*filling from the ground up not just from the top down*” [SG5]. What the participants are describing are shifts in corporate values due to the shifts in individual values as employees turn-over through this next generation. Participants also felt that mainstreaming a new definition of value for business would come from both the emergence of new social entrepreneurs and the shifts that take place in larger corporations, both due to individuals bringing their values to bear.

Connect the social entrepreneur coming up building new companies with the big companies that already have significant influence and potential impact to be better social innovators and better social change makers, and if you combine those two movements, the game changes. [SG5]

At Bankmecu, the individual values of customers are the largest determinant of how value is defined at an organizational level. Reflecting the importance of values-alignment as a driver for Bankmecu, one participant notes how the bank’s growth strategy will rely on values alignment in three ways: (1) on re-branding the bank so that the customer-owned model is evident to customers; (2) on communicating the value of customer-ownership by articulating the bank’s patronage dividend; and (3) by seeking a values-aligned impact investor to grow. Each of these areas for strategic growth is underscored by Bankmecu’s hybrid notion of value, emphasizing how values (internal value) are a key driver of growth. Participants described how customers define their values to respond to and reflect multiple logics, such as market logic (the desire for financial returns), community logic (belonging to a cooperative bank with cooperative principles), social welfare logic (address unmet social needs, such as climate change), and intrinsic logic

(do the right thing). As a result, these plural logics are influencing the value orientation of the bank.

CERES participants noted how corporate volunteers prefer to dig in the dirt and interact with the chickens, rather than spend their volunteer hours dedicating their skills to building spreadsheets and supporting financially rigorous processes that would add more value to CERES. Participants felt this was evidence for how CERES represents a space for internal values, particularly the sacred and the spiritual. Participants noted that what was missing from the broader organizational and societal discussion on value was an acknowledgement of “*something about people’s internal life...*” [CER2].

In contrast with the literature on blended value (Emerson, 2003b), this participant is describing how internal values constitute the meaning of value. Another participant echoed these sentiments that CERES and other social and environmental organizations are set up to address this missing meaning, the spiritual dimension of people’s interactions with today’s societies and institutions.

We have cut ourselves off from the traditional sources of value and valuing. And places like CERES are trying to reconnect with that...sacredness of nature and humanity’s place in it...in a sense we have to learn from scratch how to talk and think about value and to feel value. [CER3]

Although these participants felt that part of CERES’ purpose and implicit values were to allow individuals to connect to their own internal values and contemplate spiritual dimensions, the subject of spirituality is still seen as taboo. This is reflected when CERES engaged in a strategic planning exercise and identified that CERES provides a “*place of spiritual contemplation for people*” [CER3]. However, senior staff felt the language should be removed for fear of alienating “*potential donors and grant givers.*” [CER3] Participants were surprised that, given the importance of spirituality in the value offered by CERES that it remained a taboo subject even with colleagues. “*I just feel really sad that we don’t talk about that kind of stuff. I think even in this workplace, we’re not allowed to talk about it*” [CER2]. “*Well, we’re not*” [CER3]. Part of the challenge in

translating this internal dimension to explicit organizational values is that *“it’s not a brain thing...it’s love, fear and pain” [CER2]*.

Individuals both create and capture the value that organizations are responsible for (internal value), and CERES participants highlight that it is not only cognitive ways in which people value. This may be one of the salient challenges in redefining organizational value to reflect the plurality of individual values and ways of valuing, which involve emotional and spiritual dimensions, again reflecting multiple logics. CERES provides clear evidence that individual values (internal value) are a significant driver for organizations embracing more complex and plural ways of valuing.

Unmet social needs, such as homelessness, or unsolved environmental challenges, such as climate change have been part of the story that drives people to individually define value in a more complex fashion, meaning there is a confluence between internal value, plural logics and organizational value.

With the drivers, it’s because we do the research and we see that the problem is getting bigger, and... we also see it as an opportunity to actually, you know, ensure that our standard products and services are not increasing that figure. So it’s probably fuelled by this research and we know what causes exclusion to actually make sure that we’re not doing the wrong thing and increasing the issue, and then it’s what can we do as a big corporate. How can we change how things work? And then in terms of the greater environmental impact as well, how we make our purchasing decisions because we’ve got a huge impact. All those things are important. [NAB3]

As key stakeholders, such as employees, bring these individual values to bear in their organizational settings, they will inevitably influence organizational value. For example, participants feel that NAB must ‘do something’ because there is a ‘need’ to address unmet social/environmental challenges. Participants talk about their work and organization as connected to broader societal issues and individual values.

I think also that CR [corporate responsibility] is a trend, it always has been. But, there's also a growing realization that we've been doing this for however many years and fundamentally there is very little social imprint left behind. And scalable problems haven't actually been addressed. So, I think the move toward shared value is about scaling up the solutions to the problems. Because there are lots of great initiatives, and we've got them as well. But they're very micro. You know, the challenge is, great, so 25,000 loans, great impact, the problem is 3 million big. How do you translate it to 3 million? And that's where the concept of shared value comes in. Because how do you make that make sense? Otherwise, you're never going to get enough money to address a problem that big. [NAB4]

This participant alludes to the intersection between the logics of market, social welfare and intrinsic value. By creating a shared value proposition, these logics can intersect, appealing to the shareholders who want to maximize profits (market) as well as to those constituents who want to address social issues, such as financial exclusion (social welfare). Additionally, employees and customers who want the bank to 'do the right thing' as was echoed repeatedly by 15 of the 16 NAB participants are referencing an intrinsic logic, driven by internal values and morality.

At all levels, participants agreed that a bank is an institution comprised of people, processes and systems. But, ultimately, the people bring their values and their connection to issues that matter into their professional roles. The desire to address social issues is certainly underscored by the business case of driving reputational and brand value, customer and employee engagement; however, it was emphasized that this also comes down to individual values.

When Cameron Clyne [CEO at the time of interview] joined NAB, he set the reputation as a core area for the bank to position itself from. So, that's part of the driver as well. It's definitely his own real personal values coming through. It's not just an, 'I'm doing it just for business reasons' ... The other thing is that banks are still intrinsically a part of the community, through their branch networks, and we employ lots of people, and we have loans on the houses that are burning down.

We are part of that. So, we have a responsibility and, not just that, but we are a part of it. [NAB5]

While participants also cited the need for the business case to align and justify social and environmental investment platforms, there was a clear acknowledgment that across levels of the organization, people are connected to and motivated by their identities and roles outside of the organization, including those as family members (family logic) and community members (community logic), referencing how internal value brings in additional logics not always apparent at the organizational level.

Case study example—Goodstart

At Goodstart, participants didn't cite how individual values necessarily influenced the development of organizational values; however, there was evidence that values alignment was a critical factor in the ongoing success of the organization or rather that organizational values are reinforced by individual values.

People choose to be in the early years because they are really passionate about the work and passionate about children...I think the people we have that have been with the organization for so long is because they really feel committed to the work they're doing and they really love their job. [GS1]

Participants in various ways alluded to how their beliefs and values aligned with or even mirrored the organization's mission and values, both validating the work and reinforcing the institutional logics of market, community and social welfare. Some participants (three out of 11) even identified themselves interchangeably with the organization, by linking the charitable orientation of Goodstart with individual traits, jobs and relationships through Goodstart. For example, one participant referenced how the organization created value by supporting families, linking the idea of how staff supports families but also support other staff. *"I'm working here with others – I'm not on my own"* [GS11]. From the charitable clothing swap bins (s.7.1.4) to philanthropic work supported

by the organization, participants felt that by working with an organization that did ‘good things,’ they also were doing good things. Other participants identified with the beneficiaries or recipients of Goodstart’s social value strategy, saying they felt proud of working for an organization that is helping others. Participants are reflecting how individual values are reflected by and reproduced at the organizational level, reinforcing the logics of community, intrinsic value and social welfare.

While internal value is an important component of organizational value, Goodstart provides a salient example where ‘need’ is a more dominant driver of how the organization defines and seeks value.

Financial Need (market logic)

Financial need is derived from both Goodstart’s foundation as an acquisition of a failed company that had gone into administration as well as the understanding of its four mostly large and highly established non-profit founders who have witnessed the changing landscape of charitable and grant funding (s.4.5). The foundation of Goodstart was predicated upon the idea that the organization would run as a rigorous financially disciplined organization with a commercial orientation toward generating its own financial surplus to invest in maximizing social outcomes. Aside from covering basic operating costs, Goodstart has the aspiration of extending its social mission to broaden its support services and fund broader social outcomes, linking in with the driver of social need and logic of social welfare. In this way, market logic is instrumental to facilitating social welfare, and social welfare logic is what drives the organization to pursue a market orientation.

Social Need (community and social welfare logics)

Aside from the need to support working families, Goodstart is highly focused on providing young children with the tools, skills and safe supportive environment to thrive and develop into healthy productive adults. Its basic provision of early learning services already addresses those areas of social need, where as of June 2011, the Australian

Bureau of Statistics reported that families have reported a shortage of additional child care for 148,600 children with the majority of those families reporting needing additional care to support paid work (ABS, 2011). However, Goodstart is also focused on helping families from vulnerable populations address unmet social needs, such as access to employment, specialized child development services, or other social services.

We're looking at communities that have a high proportion of vulnerable children in families because they have additional needs in terms of connection into the local area. So what the driver is is the understanding that services such as long day care and early learning is a really soft entry point into the broader service system that children and families might need. [GS3]

As my case studies illustrate, plural logics are at play in driving organizations to orient toward hybrid value outcomes. Specifically, the combination of internal value (s.5.1.6) and the influence of social welfare, market, and community logics (Friedland & Alford, 1991; Pache & Santos, 2013) (s.2.5.1) define an intersection between individual values and social/environmental/financial need that drive organizations to find solutions to complex problems with innovative approaches that rely on a mix of logics and resulting in hybrid value orientation. My case study data reflecting this first driver, individual values coupled with 'need,' illustrates how logics may be reconciled by combining logics (e.g. Battilana & Dorado, 2010) (s.2.5.1).

My data reveal that organizations are firstly driven toward hybrid value orientations by the combination of individual values coupled with social, environmental and/or financial need. Interactional value theory (Sethi, 1986) (s.2.5.2.3) states that behaviours are the result of system conditions, the intensity of belief in values, and the interaction amongst those variables. This value theory (s.2.5.2.3) relates to individuals, but can help explain what I'm observing from my data at an organizational level and supports my first finding of why organizations orient toward hybrid value. Applying this theory to my data demonstrates that defining value as hybrid value can be due to the interaction of 'need' (system conditions) and internal value ('intensity of belief in values').

These findings reinforce the social enterprise and social entrepreneurship literature that cites social need and the entrepreneur's willingness to take on a mission (i.e. internal value or individual values) as a driver for hybrid organizations. For example, the literature on hybrid organizations extensively covers institutional failures, particularly related to shared social and environmental challenges (Hardin, 1968; Seelos & Mair, 2005), such as climate change, poverty, homelessness, and environmental degradation (Mair & Martí, 2006; Zahra, Rawhouser, Bhawe, & Hayton, 2008) (s.2.3.2). The literature on social entrepreneurship picks up this thread and highlights the centrality of the social and/or environmental mission in defining a social entrepreneur (Bornstein, 2004) (s.2.3.2.1).

However, my findings can further develop these perspectives, as I find 'need' can go beyond the social dimension and extend to environmental and/or financial need. Further, my findings make clear the connection between not just the entrepreneur's mission (values) and his/her willingness to tackle a social need, but also employee, customer and other key stakeholder values and their link to broader categories of need. Thus, the first driver that enables organizations to define value in a hybrid context can be summed up as the combination of individual values and perceived social/environmental/financial 'need.'

For example, Goodstart recognizes both financial and social needs as well as recruits key individuals whose skills sets and beliefs help them align with meeting those dual missions. This approach orients the organization toward hybrid outcomes: financial stability as well as social inclusion via quality early learning and family support services. In sum, key individuals bring their salient beliefs (i.e. values) and abilities to bear in striving toward a mission shaped by unmet social, environmental and financial needs.

Understanding both the relevant unmet 'needs,' be they broader societal challenges or organizational shortfalls, as well as the individual values of key individuals are likely to hold significant influence over the direction and success of the organization to meet its hybrid aspirations.

6.2 Additional Value

Dominant logic A + subordinate logic B

In addition to individual values and social/environmental/financial need, participants explained that hybrid value may be framed as a type of bonus or ‘additional value’ once some minimum threshold is met. Participants from three of six cases (Goodstart, NAB, and STREAT; see Table 6.1) perceived their organizations to be pursuing hybrid value in order to gain additional value or extra value (Thornton & Ocasio, 2008).

As an example, one participant spoke about economic thresholds or financial minimums (threshold value, s.5.1.7), reflecting market logic, as in the case of shareholder pressures, operating capital, or a business case, particularly in regards to STREAT’s corporate partners.

You still have that underlying financial or that underlying business case... ‘cause even with champions, those champions will come up against hurdles which they can’t jump over... Otherwise it’s just not going to be sustainable, otherwise it’s not going to be viable, and to your point earlier, if there’s no business case, it is one of the first things to go. [ST6]

These types of participant responses reflect views in the corporate social responsibility literature and stakeholder theory where the role of stakeholders has been linked to the financial performance of corporations (Freeman, 1984; Lounsbury, 2002). The link between primary stakeholder management and firm value creation through intangible assets, such as goodwill, are seen as a source of potential competitive advantage that can be translated into financial returns (Hillman & Keim, 2001; Porter & Kramer, 2006). Here market logic is the dominant logic, and community logic serves to reinforce market logic.

Using this lens, the pursuit of hybrid value can be framed as the pursuit of additional value, once the financial (or, in another context, social impact or minimum environmental

criteria) requirements have been met, reflecting a shared value (Porter & Kramer, 2011) (s.5.1.2) approach. In the example of the partnership between STREAT and corporate partner (termed 'COMPANY A'), there is an acknowledgement from both partners that the relationship creates financial value for both parties in the form of subsidized rent for STREAT and financial revenue for COMPANY A from previously unleased space. In both cases, each partner is better off financially than they would have been in absence of the partnership (an example of a financial threshold). As additional value, COMPANY A believes that values alignment can drive customer loyalty, in turn, creating additional financial benefits for COMPANY A.

If you look at the people who use our shopping centres or commercial buildings, etc. some of the values that we've already talked about are values that they actually share, and when they see a company like COMPANY A getting involved in organisations like STREAT and doing what we can with them, and other organisations as well, they actually look at that and see it can actually help to create some sort of loyalty back to our business through being involved in other businesses. [ST7]

This participant is referencing enabling value (s.5.1.5) where community logic, subservient to market logic, can drive social value that in turn can drive financial value, reinforcing the dominant market logic. This reflects the entrenched institutional theorist perspective that logics are predominantly decoupled, where organizations inevitably fall back into the paradigm of one dominant logic, whereas other logics may exist to help the organization obtain competitive advantage by reinforcing the dominant logic (e.g. Meyer & Rowan, 1977; Scott, 2004) (s.2.5).

The threshold concept is also applied to legal requirements. Participants note that they have to cover off their legal bases even if internal champions want to structure the relationship and its potential to create value together differently. In the case of STREAT and COMPANY A, they had to structure their lease agreement to meet COMPANY A's corporate legal requirements; whereas at an individual level, key champions understood

that there was much more trust, goodwill, and creative work that had already been implied in the relationship and intentions to explore ‘additional value’ together. However, legal contracts tend to operate within the dominant market logic, first and foremost, protecting partners by limiting risk to financial profits. In this way, the pursuit of hybrid value can be seen as pursuing additional value, once the threshold value has been met. This concept was discussed by participants as more relevant to STREAT’s corporate partners than to STREAT itself.

In contrast, CERES appears to be an exemplary archetype for the enterprising non-profit that has moved into hybrid value strategies out of financial necessity, a desire to obtain financial autonomy (Dees, 1998), where social welfare or community logic is dominant to market logic, and market logic serves to reinforce the dominant logic (autonomy value, s.5.1.4).

An aspiration for us is a significant degree of financial independence or essentially complete financial independence. We don’t want to be dependent on grants and donations to allow us to continue month-to-month, year-to-year.
[CER3]

When the Victorian Kennett government withdrew CERES’ core funding in the 1990’s (s.4.4), the management team was prompted to begin thinking about income-generating activities. Through some degree of trial and error, including opening a café that ran at a loss for ten years, and starting a plant nursery that remains one of CERES’ most financially successful social enterprises, it began to explore social enterprise models in order to become more financially autonomous.

Although each of these ‘enterprises’ has a social mission and financial engine, the purpose was for these initiatives to generate a surplus to then support CERES’ non-income-generating activities, such as AUD\$500,000/year site maintenance costs, or to subsidize core programs, such as keeping environmental education resources at a low cost and therefore more accessible to more users.

CERES is still experimenting with how to break through its break-even point and generate enough working capital and surplus to achieve this goal. It is exploring whether to set up separate enterprises, potentially incorporated as for-profits, to receive equity investment, while still diverting all profits back to the non-profit parent company. It also recently brought in a partner, a social entrepreneur with hospitality experience, to lease and run their on-site café, creating a net surplus for CERES.

CERES represents a case where pursuing social enterprise and hybrid value models can create an additional layer of financial value, above and beyond its base operating requirements or its threshold break-even value. This additional value or surplus value can then subsidize non-income generating activities that uphold the core social and environmental value aspirations of the organization. This is a clear depiction of an apparently dominant community logic and subservient market logic, again reflecting the institutional theorist perspective that logics are decoupled rather than reconciled (e.g. Meyer & Rowan, 1977) (s.2.5).

Akin to the previous driver of ‘unmet need’ coupled with internal value (s.6.1), ‘additional value’ is a different motivating force for pursuing hybrid value. The pursuit of additional value involves thresholds and triggers that frame the pursuit of hybrid value as a type of bonus above and beyond the value requirements that have already been met.

For example, STREAT’s large corporate partner, described by [ST7], meets minimum financial and legal requirements through the partnership before having the opportunity to explore ‘additional value,’ in the form of social benefits, reputational and brand value, employee engagement, etc. which in turn drive more financial benefit for each partner. The ‘virtuous circle’ value model (fig. 6.6), reflective of the shared value literature (Porter & Kramer, 2011) also relies on this type of logic, wherein financial minimum requirements precede social and/or environmental investment or ‘additional value,’ which can then yield hybrid value outcomes.

In CERES’ case, additional value is sought in the form of financial value, so long as the threshold values for social and environmental criteria are first met (autonomy value,

s.5.1.4). This takes the shape of creating social enterprises that deliver social and environmental value (creating avenues for marginalized employment, education, demonstration models, and community engagement) while also ideally generating a financial surplus above and beyond sustaining the social enterprise itself.

These findings reinforce the literature on shared value (Porter & Kramer, 2011) and demonstrate the strategic value of pursuing hybrid value to yield competitive advantage (Hillman & Keim, 2001; Porter & Kramer, 2006). This finding underscores the importance of examining limits, thresholds and the relationship amongst and between values (Chapter 5).

6.3 Legislative and Normative Pressures

Community and/or Intrinsic logic + Market logic

Four of my six case studies also reveal that the influence of others, whether through legislative or normative pressures, can influence whether and to what degree organizations define value in a plural context.

For example, STREAT notes that it works within laws set out in the: Environment Protection and Biodiversity Conservation Act 1999, Environmental Protection Act Victoria 1970, Fair Trading Act 1999, Food Act 1984, and Working with Children Act 2005 (STREAT, 2012). In some areas, these policies may serve to set a minimum threshold, for example, in environmental performance at an operational level. While STREAT does not aspire to merely meet legislative requirements, there is a clear recognition and respect for the laws and regulations that do set baseline standards across some social and environmental dimensions.

STREAT participants also cite normative pressures, such as the expectations and influence that come from stakeholders, such as key individuals (i.e. managers), groups (i.e. customers), and other organizations (i.e. partners) (Donaldson & Preston, 1995). For

example, one participant attributes the shift toward hybrid value, in part, to shifts in cultural values and societal expectations.

Once upon a time it was probably a nice thing to do, and people thought, 'Oh yeah, we should do that because that's the right thing to do.' To me, that's one that probably shifted from an expectation that it's a nice thing to do towards an expectation that it's just being done. And then you can see that at a very macro level, you can see that in the way that elections and the like I guess are influenced by social responsibility and by environmental responsibility and the like now. I think that they're just expectations that people as we're getting older and people become even more aware, that it's kind of shifted from, 'Oh, that's something we should do' to 'Oh, that's something we see the value in now' to 'It's something that every business has to do.' Some businesses are clearly still doing it better than others. But I think that as a macro driver, it's just a change in people's expectations, that people are kind of demanding it now as opposed to wanting it or thinking that it's just a good thing. [ST7]

Integrated social contract theory (Donaldson & Dunfee, 2002), addresses society's expectations of a business, where community stakeholders at the macro and micro levels must agree upon acceptable terms to allow a firm to conduct its planned activities. This concept acknowledges that members of a community hold companies responsible for their impacts and activities (community logic), forcing managers to consider ethical implications of business decisions that may drive corporate reputation in addition to the legitimacy of a business (market logic) to conduct its operations (Suchman, 1995).

Organizational legitimacy is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p. 574). Normative and legislative pressures are by nature socially constructed systems of norms, values, beliefs and definitions. So the notion of organizational legitimacy is one of trying to understand how organizations gain acceptance from society.

Institutional theorists corroborate how normative factors (Dacin, Goodstein & Scott, 2002; Mason et.al, 2007; Scott, 2008), such as socio-political legitimacy must precede organizational legitimacy (Dowling & Pfeffer, 1975; Rao, Morrill, & Zald, 2000). For many corporations over many centuries, non-financial outcomes were inextricably linked with organizational legitimacy, defined as congruence between broader societal values and organizational activities (Dowling & Pfeffer, 1975). It is reasoned that “since organizations exist in a super-ordinate social system and utilize resources which might be otherwise allocated, the utilization of these resources must be accepted as legitimate by the larger social system.” Thus, organizations are legitimate “to the extent that their activities are congruent with the goals of the super-ordinate system” (Parsons, 1968 in Dowling and Pfeffer, 1975, p. 123).

When individual values aggregate into societal norms and expectations, these larger social and legal pressures also come to influence how organizations define value, as a means to gain legitimacy. The biggest driver for NAB redefining value in a hybrid context came from legislative and normative pressures, the influence of others. This is illustrated in participant comments, for example, where it was a combination of individual values and normative pressures:

I think the way that the world is going, that's the place to be – because it makes everyone responsible for solving societal issues, and I think that's how societal issues can actually be solved. [NAB3]

Other participants, illustrated in the following quotation, cite how normative pressures influence individual values, which can, in turn, influence organizational values:

I think people in business are competitive. We're hard-wired that way. They're the first to find out that others came out in front of you. There's that piece to it, which we, you know, use to our advantage. People inherently want to do the right

thing. They want to work for a place that does the right thing. No one rolls up to work with the idea of lacking values. [NAB4]

But, participants felt that the biggest driver for NAB to redefine value comes from the expectations of key stakeholders, particularly large institutional shareholders.

I think the value comes through in a few different ways. So, it's how we're perceived in the press. It's how we're perceived by the environmental analysts from an institutional shareholder perspective. So, it's looking at our key stakeholders, our shareholders and our customers and that they understand that NAB's a...responsible corporate citizen. But, if we look at who the large shareholder are, that's moving more and more towards the large super funds and the requirements they have for sustainable operating companies, a measure of how to determine that is these external benchmarks we do with signed CDPs [carbon disclosure project]. So, that's where value [drivers]...comes from. [NAB1]

The NAB case study suggests that as societal norms and expectations shift to define what is valuable and what can be reasonably expected from corporations to uphold and acknowledge these values, companies will be driven to accommodate these views from employees, customers, institutional investors and communities to uphold and gain organizational legitimacy (Dowling & Pfeffer, 1975).

One of the most influential drivers for Goodstart orienting toward financial value enabling social value is the organizational values of its founders in combination with lessons learned from its organizational predecessor, ABC Learning Centres.

The four founding non-profit organizations—Mission Australia, The Benevolent Society, Social Ventures Australia, and the Brotherhood of St. Laurence—founded Goodstart with the primary purpose of delivering social impact (SVA, 2010). This ‘for-

purpose' model was made explicit and public when the Goodstart syndicate engaged a PR firm to promote these social aims during their bidding process back in 2009.

Participants credited these four founding organizations for the current company's mission and vision, establishing the framework for focusing on social outcomes for children, families, and the community.

Our vision is for Australia's children to have the best possible start in life. We'll achieve this by fulfilling our mission, which is to provide high-quality, accessible, affordable, community-connected early learning in our centres, as well as partner and openly collaborate with the sector to drive change for the benefit of all children. (Goodstart, 2015)

In addition to the founding organizational values, Goodstart also had attracted over 40 high net worth individuals to invest AUD\$22.5 million in social impact notes. These notes were structured such that Goodstart had no obligation to repay the interest on the notes, meaning investors faced a relatively high risk. In return for this risk, these investors expected to see significant social return by supporting an organization committed to supporting Australia's children.

These key organizations and individuals have had a key influence in establishing the direction and mission that reflect the value orientation and purpose of Goodstart today, again reflecting how a combination of individual values, social need and normative pressures all drive the value orientation and support the organizational legitimacy of Goodstart.

Another 'normative' pressure for Goodstart comes in the form of the National Quality Standard (NQS) derived from the Early Years' Learning Framework (EYLF), a guide developed by the Australian Government with principles and practices to follow. Although this guide is not a mandatory curriculum, syllabus, or policy, the NQS introduces a system where all early learning centres across Australia are 'scored' on

whether they are below, meeting, or exceeding the guidelines across seven different quality areas. This has led to sector-wide normative pressure to adopt the EYLF approach and obtain the highest ‘excellent’ NQS rank across categories as a badge of third-party verified quality. Participants referred to the NQS, for example, as the defacto driver to consider environmental value at its centres. And, while participants noted that Goodstart is aiming to get all of its centres to a level of either meeting or exceeding the NQS, it is uncertain whether these are necessarily the right indicators or the right methods to track the outcomes Goodstart is seeking.

An interesting normative influence is seen at Small Giants, a company that often adopts proven models. Just as Small Giants is attempting to drive the growth of values-aligned businesses by ‘proving the model’ that values can co-exist in a business context, it also has drawn inspiration from the models of others. From the book ‘Small Giants’ (Burlingham, 2007) to the B Corp model, from adapting the Engineers without Borders model to Australia to referring to Virgin as the model for creating a customer-centric company, the CEO often refers to the stories, visions, and models of others. This entrepreneurial process is one that takes an idea, model or concept and adapts components of these with other ideas, concepts, and models to synthesize something new and contextually relevant. Because Small Giants has adapted from the models of others to derive its concept and drive growth, this creates a stronger value proposition to contribute to its theory of change by providing its own model to be borrowed by future entrepreneurs.

The case studies clearly point to the power of influence of others over organizational behaviour. STREAT demonstrated how legislative factors create minimum performance requirements and ‘push’ some aspects of social and environmental performance; whereas voluntary industry standards motivate Goodstart to comply with and improve some areas of social and environmental performance, creating more of a ‘pull’. All three example cases, STREAT, Goodstart and Small Giants illustrate how normative pressures, vis-à-vis the norms, beliefs, values and even models of others also drive organizations to embrace hybrid value. My findings reinforce the literature on social contract theory (Donaldson &

Dunfee, 2002), where stakeholders grant ‘license’ for companies to operate through agreements made about whether the organization is upholding the norms of society. My findings are also reflected in institutional theory perspectives on the normative factors that help determine organizational legitimacy, thus driving organizations to adopt social norms (Dowling & Pfeffer, 1975; Suchman, 1995).

This process of looking to the societal norms and internalizing the beliefs, approaches, rules, structures and value orientations of others is illustrative of how my case studies are pursuing organizational legitimacy through hybrid value orientations. “Underlying organizational legitimacy is a process, legitimation, by which an organization seeks approval (or avoidance of sanction) from groups in society” (Kaplan & Ruland, 1991, p.370). Because social norms reflect a plurality of logics and values, it seems reasonable that organizations would seek legitimacy by replicating and internalizing plural social value sets.

This finding illustrates the importance of the socio-political environment on both legislating and influencing organizational behaviour. As individuals and groups evolve and make more explicit their values and beliefs, organizations may respond to these normative pressures by adopting similar stances and value orientations to reflect their current environments.

There is growing evidence of an increasing shift toward plural values in the broader socio-political environment. For example, the LOHAS market (s.5.1.6), estimated at US\$290 billion is evidence of the growing consumer demand for a particular values-based type of product and service offering (lohas.com). Values-based companies are on the rise, and since its founding in 2006, the B Corp movement has signed up over 1,000 values-based companies who undergo either voluntary certification on social and environmental criteria and/or are adopting the benefit corporation legal status (bcorporation.net) (s.4.2). Earlier legislative changes that heralded notable shifts in environmental performance were the introduction of the ISO14001 in 1996, which introduced an international standard for environmental management systems and is now

adopted by thousands of the world's largest companies (iso.org). Finally, recent research published by PriceWaterhouseCoopers (2011) highlights that nearly 60% of Millennials (born between 1982-2004) surveyed will "deliberately seek employers whose corporate responsibility behaviour reflects [their] own values" (PWC, 2015). Although this is on the decline from their 2008 study, which noted 88% of respondents wanted companies to match their own values, it is still a significant majority (PWC, 2015). These types of trends are likely to create normative pressures on organizations, influencing how they express their value orientations to reflect the values of their employees, customers, investors, and communities.

In this section, I have illustrated how social contract theory (Donaldson & Dunfee, 2002) and legitimacy theory (Suchman, 1995) can help to explain how societal expectations can influence and drive organizations to define value in a plural context. These theoretical perspectives describe how broader societal values (derived from internal value and intrinsic logic) influence organizational legitimacy, describing how community logic combines with market logic. Organizations that strive for legitimacy are by nature combining their desire to exist and thrive (market logic) with their reliance on the community for normative support (community logic). My findings reinforce these theoretical views, stressing the importance of normative pressures on organizational legitimacy.

This chapter presented my findings and analysis to understand why companies are engaging in hybrid value strategies, addressing the second research objective. The three broad categories of drivers included: (1) individual values coupled with perceived social/environmental/financial need; (2) additional value; and (3) legislative and normative pressures. Table 6.1 provides a summary of these findings and analysis.

The first driver is mirrored by interactional value theory (Sethi, 1986) (s.2.4; s.2.5.2), describing the interactions between system conditions ('needs') and values and relies substantively on internal value as a driver of organizational hybrid value. This enabling condition combines intrinsic logic from internal value with market, community and/or

social welfare logic, demonstrating how logics can be combined to drive hybrid value orientation. My findings draw on the interactional value theory to substantiate and augment the literature on the salience of an entrepreneur's mission (Bornstein, 2004) and an unmet social need (e.g. Mair & Marti, 2006) by expanding the definition of 'need' to encompass the possible financial and environmental needs. These unmet needs in turn influence the internal value orientations stakeholders (beyond the entrepreneur) who in turn influence and drive organizations to embrace hybridized approaches to value.

The second driver is illustrated by the corporate social responsibility literature (s.2.3), highlighted in the theoretical principles of enlightened self-interest (Drucker, 1984), where social and environmentally sensitive behaviours are said to lead to sustained organizational competitive advantage (Porter & Kramer, 2006). My findings that relate to this driver reinforce these views and demonstrate how logics are decoupled (e.g. Meyer & Rowan, 1977), with 'additional' value logics reinforcing the dominant logic.

The third driver is illustrated by the literature on organizational legitimacy (Suchman, 1995) (s.2.5.1), and my case studies reinforce the importance of normative pressures on organizational behaviours, including value orientation. This perspective demonstrates how community and intrinsic logics combine with market logic (Battilana & Dorado, 2010) to drive organizations to define value in a plural context.

Table 6.1 Drivers of organizational hybrid value

Drivers of hybrid organizational value	Key Value Types	Logics	How logics are reconciled	Theoretical perspectives	Contributions	Case studies
Individual values + ‘Need’ (s.6.1)	Internal	Community, Intrinsic, Market, Social Welfare	Combining (e.g. Battilana and Dorado, 2010)	Interactional value (Sethi, 1986)	Addition to the hybrid organization literature by broadening the definition of ‘unmet need’ and identifying diverse stakeholders whose values interact with these needs to yield hybrid value.	BM, CER, GS, NAB, SG, ST
‘Additional’ value (s.6.2)	Threshold; Shared; Enabling; Autonomy	Dominant logic (i.e. market) and subordinate logic (i.e. social welfare)	Decoupling (e.g. Meyer and Rowan, 1977)	Enlightened self-interest (Drucker, 1984); Competitive advantage (Porter and Kramer, 2006)	Confirms perspectives in the CSR literature on how hybrid strategies can reflect enlightened self-interest and yield strategic competitive advantage.	GS, NAB, ST
Legislative and normative pressures (s.6.3)	Internal	Community, Intrinsic, Market	Combining (e.g. Battilana and Dorado, 2010)	Organizational legitimacy (Dowling and Pfeffer, 1975; Suchman, 1995)	Reinforce the literature on organizational legitimacy, stressing the importance of normative pressures on legitimacy.	CER, GS, NAB, ST

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I guess I'm thinking about...how we get the everyday stuff done as well as the big things which [Participant] is sort of talking about. Whereas I'm probably more, internally, 'Okay, so how are we going to get the day-to-day running well so we can have all these opportunities and jump on them very quickly.' [ST4]

This participant noted how she is thinking about how to bridge the value aspirations and vision of key individuals to practice: there is an acknowledgement that although there may be emotional, cognitive, legislative and normative pressures that influence a hybrid value vision, there remains the work to bridge that aspiration to practice, to make the day-to-day work so that values can come to life.

This challenge of bridging aspirations or value concepts and ideals to practice was highlighted by survey responses, which demonstrated across value types lower practice scores than aspiration scores (Tables 7.1-7.2).

Table 7.1 Survey results 'value aspirations or ideal'

On a scale of 0 to 10, where 0 is not important at all and 10 is extremely important, what number would you use to rate how important it is for the organization to create the following types of value:														
#	Question	Not important at all 0	1	2	3	4	Moderately important 5	6	7	8	9	Extremely important 10	Total Responses	Mean
1	Social value	0	0	0	0	0	0	1	1	3	8	18	31	10.32
2	Environmental value	0	0	0	1	0	1	3	2	4	6	14	31	9.58
3	Financial value for the company itself	0	1	1	0	0	4	1	1	5	5	13	31	9.10
4	Financial value for others	1	1	0	1	2	4	1	3	4	6	8	31	8.26
5	Other types of value	2	0	2	1	1	5	3	3	4	3	7	31	7.58

Table 7.2 Survey results ‘value scores in practice’

On a scale of 0 to 10, where 0 represents the lowest score or no value and 10 represents the highest value score, how much value do you think the organization is creating along the following dimensions:														
#	Question	No value at all 0	1	2	3	4	A moderate amount of value 5	6	7	8	9	As much value as possible 10	Total Responses	Mean
1	Social value	0	0	0	0	1	2	4	8	9	4	3	31	8.48
2	Environmental value	0	1	1	1	1	2	3	8	10	2	2	31	7.84
3	Financial value for the company itself	0	0	0	1	2	3	3	5	13	3	1	31	8.10
4	Financial value for others	2	0	0	2	1	4	3	7	8	3	1	31	7.39
5	Other types of value	2	2	1	0	0	4	5	3	6	4	4	31	7.42

My findings and analysis presented in the previous chapters (5-6) have raised the question: (how) can organizations displaying different value maximizing and value minimizing principles and following different logics, manage these tensions and implement practices to deliver hybrid outcomes? That is, how are companies bridging the gap, made evident in survey responses, between their value drivers, value concepts, guiding logics and achieved outcomes? What is it that companies are doing to create a complex form of value? What practices are they undertaking to create hybrid value? In seeking to answer these questions, this chapter addresses objective 3 (s.1.1): to understand whether and how organizations are able to achieve hybrid outcomes. I do this by examining the practices of the case study organisations.

‘Practices’ describes the organizational actions or activities that participants cited as those that create value (see s.3.3.2.1). This chapter begins by detailing my findings of hybrid value practices derived from participant responses (s.7.1). In this section (s.7.1), I provide evidence and examples to illustrate sample practices from one case study per practice category. In section 7.2, I summarize my findings and contributions from this

chapter and provide examples from the 200 hybrid value practices coded from participant responses (Table 7.9; Appendix 8).

7.1 What practices do companies undertake to deliver hybrid value?

Across all six case studies, participants described how their organizations were engaging in practices that create hybrid value. The process of thematic analysis (chapter 3) led me to derive broad categories of practices that describe the types of activities and behaviours that organizations are undertaking to create hybrid value. These categories include: (1) culture; (2) departments; (3) mechanisms; (4) people and relationships; (5) rules; and (6) structures (see s.3.3.2.1).

Table 3.4 is replicated in this chapter as Table 7.3 to provide a list of the six practice categories observed in data coding as well as codes for the ‘title practices’ that describe the types of practices that were observed under each category. Additionally, table 7.1 illustrates which case studies cited these practices and how many practices were cited in each ‘title practice’ in total. Line items that are in bold text had examples given from all six case studies, whereas italicized items include example practices from at least half of the six case studies (table 7.3).

7.1.1 Cultural practices—Small Giants case study example

The first category, culture, includes ten sub-categories of practices including: (C1) Relationships; (C2) Employee benefits; (C3) Values; (C4) Intuitive and entrepreneurial; (C5) Staff relationships; (C6) Visionary; (C7) Workplace; (C8) Intimacy; (C9) Multi-Cultural; and (C10) Knowledge sharing and learning. Table 7.9 provides examples of each of these practices (s.7.2). Cultural practices refer to the values, norms, beliefs, habits and systems that define the meaning of value. Five of the six case studies (Table 7.3) demonstrated how intentionally cultivating a culture of belonging, learning, engagement, love, support, and/or philosophy can facilitate the creation of hybrid value.

As an example, under code (C5) staff relationships (Table 7.3), Bankmecu, Small Giants and STREAT all referenced practices that they felt created hybrid value in this area by creating cultures that relate to staff relationships. For example, at Small Giants, an indoor soccer team, informal table tennis matches at the office and family gatherings all demonstrate these types of practices (Table 7.4).

To further illustrate this example, Small Giants participants listed 16 distinct practices to illustrate how their organizational culture is both reflective of and leads to creating hybrid value (Table 7.4). One of the most vivid examples of how Small Giants translates its value concept into practice is by creating a culture of love and support (Table 7.4, code C3). A natural story-teller and self-proclaimed philosopher-in-residence, the CEO enjoys relaying stories about the ideas, projects, people, and philosophies that make up Small Giants, and it is this philosophical tendency that influences the culture.

The Small Giants culture is one founded on values, beliefs, ethics, stories, passion, theories, and a vision for a flourishing sustainable world (Table 7.4, code C6). One participant alluded to philosophical underpinnings that guide the thinking and culture at Small Giants, saying:

You love someone, you appreciate what they're capable of doing, and you believe in them. It's the Victor Frankl thing. You take someone as they could be, and they'll rise to that. You take someone as they should be, and they'll become that. You take someone as who they are; they're never going to be come who they could be...kind of theory. You assume the best in people. [SG5]

Table 7.3 Hybrid value practice categories and codes

(BM=Bankmecu; CER=Ceres; GS=Goodstart; NAB=National Australia Bank; SG=Small Giants; ST=STREAT)

Category	Code	Title Practice	BM	CER	GS	NAB	SG	ST	Total
CULTURE	C1	Relationships					x		1
	C2	Employee Benefits	x				x		3
	C3	Values	x						6
	C4	Intuitive and entrepreneurial					x		2
	C5	Staff relationships	x				x	x	4
	C6	Visionary					x		3
	C7	Workplace					x		2
	C8	Intimacy					x	x	2
	C9	Multi-cultural: Cultural sensitivity and diversity			x				1
	C10	Knowledge sharing and learning			x	x			3
DEPARTMENTS	D1	Communications	x	x		x		x	12
	D2	Finance	x	x	x	x			9
	D3	HR	x	x	x	x	x	x	23
	D4	Operations	x		x	x	x	x	8
	D5	Sales and Marketing	x						2
	D6	Strategy	x	x	x	x	x		16
	D7	Supply chain		x	x	x		x	5
MECHANISMS	M1	Measurement	x	x	x	x	x	x	13
	M2	Value swapping	x			x	x	x	9
PEOPLE and RELATIONSHIPS	P1	Leadership				x		x	2
	P2	Commitment				x			1
	R1	Community	x	x			x	x	9
	R2	Customers	x	x	x			x	6
	R3	Employees					x		1
	R4	Investors			x			x	2
	R5	Partners	x	x	x	x	x	x	17
	R6	Beneficiaries		x				x	2
	R7	Competitors			x				1
	RU1	Mission or purpose	x	x		x			3
RULES	RU2	Time horizon	x				x		2
	RU3	Operational procedures		x			x		2
	RU4	Policies		x					1
	RU5	Stakeholder engagement		x					1
	RU6	Tacit rules			x				1
	RU7	Beneficiary-driven			x		x	x	3
	RU8	Decisions				x	x	x	8
	RU9	Incentives				x			2
	RU10	Thresholds					x		1
	S1	Business model	x	x			x	x	6
STRUCTURE	S2	Ownership model	x						2
	S3	Governance and legal				x		x	2
	S4	Systems and processes				x			1
									200

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Another participant refers to a corporate manifesto in development that is meant to communicate organizational values internally.

I was thinking...what is really wonderful and powerful in religion is they really bring things down to the core. You know, the ten commandments, the seven deadly sins, the five pillars of faith in Islam, the eight-fold path to Enlightenment in Buddhism, or the four noble truths; all these beautiful things always, ten or less. Occasionally, there are 12-point beliefs, I think in Judaism. But they're hard to remember because it's too many. So, I thought, how do we bring that into Small Giants? So, we created our four noble truths. And the belief that everyone can live a life of passion and meaning is one of our truths. [SG6]

The philosophical thinking at Small Giants has led to cultivating a culture defined by core values of love and support, values that are not traditionally associated with an investment firm (Lounsbury & Boxenbaum, 2013). It is these cultural elements that staff feels allow them to take risks, make decisions, and work in an entrepreneurial environment.

'This place is about people who love one another and are here to support one another and see one another succeed.' [SG3] ... 'It's like a family.' [SG1]; and 'It's necessary to have that nurturing environment...because the nature of our work is entrepreneurial. So that requires you to have a very strong personal drive to be leading whatever it is that you've been given to lead, and so that personal connection to that task requires you to be in it, otherwise you're not going to make the great change that you need to make.' [SG2]

By creating a culture of love and support (Table 7.4, code C3), Small Giants is taking its values and bringing them to life to increase the productivity and engagement of staff, in turn, driving more meaningful work and impact. Something quite striking that emerges from analysing the focus group transcript is the playful banter or tone amongst

participants. The participants are so familiar with one another that they finish one another's thoughts. Many segments of the transcript demonstrate this back and forth:

'We play table tennis inside business hours.' [SG2] ... *'And we train five times a week. [Laughs]'* [SG4] *'Two gym sessions, running.'* [SG2] *'5am'* [SG1] *'Two skills sessions...then we all get in the pool.'* [SG2] *'Smashing e grade mixed. [Laughs]'* [SG5] *'...Love it!'* [SG4]

This dynamic and personal exchange is not only demonstrated in casual light-hearted banter but also in thinking through responses to more formal focus group questions. Participants' conversational style may reveal something about the team, demonstrating collaborative, informal, spontaneous, and exchange-oriented thinking. It was not uncommon in the transcripts to observe participants influencing one another's thinking, continuing one another's thoughts. These responses demonstrate that individuals often responded not as just individuals but as more of a unit or team.

"Not all of them are B corps" [SG5]

"Dumbo's B Corp. Tom." [SG2]

"Majority of them are." [SG5]

"IIG's B corp." [SG3]

"STREAT's on the way, I think." [SG5]

"Meant to be." [SG2]

"But I guess the ones that we have a significant stake in or an early stage investment..." [SG5]

"And Pots 'n Pans." [SG4]

"Hub's a B corp." [SG3]

"Hub's a B Corp. Pots 'n Pans in Vietnam is about to become the first B Corp in Vietnam...it's more..." [SG5]

"It's a filter." [SG3]

"It's a filter, it's a crude filter for us to say we're doing this and this..." [SG5]

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These exchanges demonstrate the culture at work in the style of conversation. At Small Giants, the culture is a fluid mix of work and play, guided by relationships and support (Table 7.4, code C1). The culture helps define an intimate, ambitious, and entrepreneurial organization that is not afraid to use the word ‘love.’

Table 7.4 Small Giants hybrid value cultural practices

Code Category	Code	Title Practice	Practice Description
Culture	C1	Relationships	Personal relationships are highly valued and participants perceive these to be high quality and highly valued
Culture	C2	Employee Benefits	Autonomy: I am given the responsibilities of a leader and with that comes the freedom to plan my own schedule
Culture	C2	Employee benefits: Employee Empowerment	"As an employee I am treated much more as a partner and leader. In understanding and aligning with the vision, I am trusted to be a leader in the organization, meaning my personal choices are given a lot of trust. As a result, I feel empowered to make my journey personally meaningful" SG2
Culture	C3	Values: Loving and supportive	The philosophical thinking at Small Giants has led to cultivating a culture defined by core values of love and support, values that are not traditionally associated with an investment firm (Froud & Williams, 2007). It is these cultural elements that staff feels allow them to take risks, make decisions, and work in an entrepreneurial environment.
Culture	C3	Values: Loving and supportive	"I am supported emotionally. There is an understanding that my work has to be meaningful, and with that comes the understanding that my personal needs are important" SG5
Culture	C3	Values: Loving and supportive	The culture is described as everyone is encouraged to do their best and flourish
Culture	C3	Values: Values-driven strategic thinking	Our investment philosophy is that we will only invest in companies that provide products and services that are good for the world (useful) and that we would want to use
Culture	C4	Intuitive and entrepreneurial	Open management; collaborative approach; intuitive entrepreneurial decision making
Culture	C4	Intuitive and entrepreneurial	The organization acknowledges these intangibles and "competing forces" [SG6] that require intuitive entrepreneurial decision-making. The CEO notes how when the team knows there are things that aren't being measured, it requires intuitive subjective decision-making rather than a decision-matrix or formula. This strategy very much aligns with the Small Giants value concept as an extension of individual values.
Culture	C5	Staff relationships	Soccer team; table tennis; 20 hrs volunteering
Culture	C5	Staff relationships	Family gatherings, Friday lunches, social events to encourage quality relationships
Culture	C6	Visionary; create change	"We're consciously trying to create the world we want to live in..." [SG5] "...and the jobs we want to have" [SG1]. A model of trying to spread the business' values.
Culture	C6	Visionary; create change	Participants describe the purpose of creating positive change at multiple levels; the systemic level, the industry level, the micro individual level
Culture	C6	Visionary; prove the model	SG is trying to prove the investment thesis of values-based investing and is hoping to 'be the business it wants to see more of in the world'
Culture	C7	Workplace: Fun, Collegial	Our workplace is fun and collegial; we also encourage this in portfolio companies
Culture	C8	Intimacy	A small intimate culture leads to trust, autonomy, personal relationships, cross-pollination of ideas, support, recognition to yield a 'flourishing' culture. Some participants felt this was only possible in a small intimate environment which could be replicated by creating small intimate groups within large companies.

All six case studies provide examples on how the respective organizational cultures facilitate and reflect hybrid value creation. At Small Giants, a loving and supportive culture creates a relationship-based environment where employees are empowered to take entrepreneurial risks and work together to achieve greater levels of impact.

The literature on firm-level dynamics, organizational design, and organizational behaviour is relatively sparse on mentioning how cultural components can help companies implement hybrid outcomes; however, authors that focus on principles, values and ethos, such as Hawken (1999) and Eisler (2007) offer a robust discussion of how values, norms, beliefs, etc. shape the way a company implements its practices (s.2.6).

Choi & Gray (2008) and Smith et. al. (2011) reference best practices in sustainability and corporate responsibility by stating that organizational design principles (s.2.6), including committing to a meaningful purpose, helps companies orient toward sustainable or socially responsible outcomes. These sources briefly and tangentially touch on cultural practices; however do not go into detail about how organizations do this.

For example, by cultivating a learning culture, NAB is investing in various strategies and partnerships to both learn from its customers and partners and share knowledge across sectors to understand how to better integrate hybrid value into other institutional processes, routines and practices. Equivalently, STREAT deliberately engages in practices to cultivate a culture of belonging to engage customers, beneficiaries, investors, and community members in a way that both delivers upon its social mission objectives (being inclusive and supportive of marginalized homeless youth) and strengthens its financial performance (enhancing customer loyalty, connecting investors and customers with mission, creating a welcoming café ambiance). In this way, organizations striving to achieve hybrid outcomes are deliberately engaging in cultural practices as a way to implement and reflect their hybrid value concepts in order to deliver hybrid outcomes.

7.1.2 Departments—NAB case study example

The next practice category (Table 7.3) is departments. Departments refer to parts of the organization that oversee particular responsibilities, such as: (D1) Communications; (D2) Finance; (D3) HR; (D4) Operations; (D5) Sales and Marketing; (D6) Strategy; and (D7) Supply chain (Appendix 8 provides examples of these practices).

For example, NAB participants referenced 21 distinct practices that illustrate departmental approaches to hybrid value creation. Participants cited ‘shared value’ strategies, describing the approach of leveraging core competencies to address social value creation market niches, in turn driving financial and social (including environmental) value for both the bank and its broader stakeholders (Porter & Kramer, 2011) (s.2.4.2.2). An example of this is NAB’s microfinance platform and its low interest loans scheme.

NAB has invested in microfinance initiatives to leverage its core competencies (access to capital and credit services) to address a market niche of social disadvantage, in this case, the unbanked. Microfinance is defined as “the provision of financial services – such as loans (often known as microcredit) and savings accounts (often known as micro-savings) – to people on low and limited incomes who can’t easily access mainstream financial services” (Good Shepherd, 2015). These programs provide more affordable access to capital to those who need it most, replacing a predatory payday lending industry, where people who struggle to pay bills and make ends meet often seek out short-term loans between pay checks at exorbitantly high interest rates, which can range from 30%-3,000%.

In the low interest loans scheme, NAB provides capital to over 200 partner community organizations, overseen and managed by a non-profit community partner, Good Shepherd Microfinance. These community organizations deploy NAB’s capital to facilitate low interest loans, on the order of a few hundred dollars up to a maximum of AUD\$3,000, to help people who would otherwise struggle to afford household essentials, such as white

goods, which include refrigerators, washing machines, etc. While access to affordable micro loans enables the financially-excluded to purchase products for their homes, it is also about supporting people to become financially independent, impacting their well-being and dignity.

It's more about helping them to achieve a standard of living which most of them do not enjoy at the moment. And, in that process, it's about building their capacities, managing their finances, having that budgetary conversation, and helping them identify other services, government offers, to help them manage their well-being. [NAB3]

Another NAB microfinance initiative is the Good Money Project, which offers microfinance storefronts in areas where there are significant financially-excluded populations. These centres offer microfinance products and services, in combination with financial counselling and capacity building services.

NAB has decided to charge just enough interest to cover the costs of running these programs, making them more sustainable over the long term. However, the bank is adamant that it does not want to profit from a very vulnerable population, trading off the goodwill and reputational benefits of investing in a social good. In this way, NAB is striving for a shared value outcome, where its microfinance customers benefit both socially and financially, and the bank benefits through reputational dividends.

As another example, NAB is both improving its environmental operational efficiencies and investing in carbon offsets in order to create cost efficiencies and reputational benefits for the bank as well as additional value (s.6.2) in the form of pollution reduction or environmental harm minimization.

From a resource efficiency standpoint, NAB has made some operational improvements, by moving into a more energy efficient green building, saving 40% in electricity costs, and by investing in a tri-generation plant that produces electricity, heat,

and cooling in one process to achieve a 10% reduction in emissions. Aside from the emissions and cost savings, the resource efficiency team recognizes that there are social benefits to green buildings as well. “So, we’re providing this great indoor environment quality for our people” [NAB12]; however, it’s lacking productivity studies to quantify the possible benefits.

The carbon offsets program also seeks shared value by purchasing carbon credits to offset its emissions, allowing NAB to meet or exceed institutional shareholder and environmental analyst pressure, as well as facilitating value for the communities from which it purchases offsets.

When we assess projects, we have criteria that we score the projects against that includes price, co-benefits that are the additional benefits to the offset the project generates to the carbon savings, so they may be social, environmental or economic, particularly that, to date. A lot of our purchases come from developing countries, and the communities that they support, the economies we help grow, and the additional... it may be, the project may have funded the construction of a school or supported a school by additional buildings or uniforms or computers, that they didn’t have access to clean water, planting additional trees... So there’s a whole range of things, we call those co-benefits. We also look at the impact at where the project’s located and the impact on where our operations are and try and have alignment between where we’re operating and where we’re purchasing offsets from. [NAB1]

Through these types of departmental approaches, NAB is investing in hybrid value outcomes, which drive social and financial value for the bank as well as social, environmental, and financial value for employees, shareholders, customers, and communities. Although these approaches appear to be quite silo-ed—reflecting project, team or department-based practices—NAB is also cultivating a culture of learning (s.7.1.1) to inform how it may broaden its hybrid value into more of an integrated strategic approach, as they demonstrate in their ‘natural value strategy’ (Table 7.6).

NAB provides one example of departmental approaches to creating hybrid value, as evidenced by its microfinance and resource efficiency platforms. Other practices include re-engineering departmental approaches to their basic functions and practices, as Small Giants demonstrates in minimizing salary discrepancies through HR practices (s.5.1.7). Four case studies are integrating plural value outcomes into the finance department (Table 7.3, code D2) by using one type of value to drive another, for example, by harvesting financial surpluses and committing them to community investment platforms. Additionally, the cases are re-engineering products, services, operations, and supply chain practices to achieve more than one value outcome (see Appendix 8 for a long list of hybrid value practices).

In total, 75 of the 200 practices were observed as departmental approaches to creating hybrid value (Tables 7.3, 7.11), by far the largest number of practices observed from any category. The literature also had the greatest number of referenced practices in this category, which included initiatives in the departments of human resources, communications, finance, operations, etc. (s.2.6).

For example, in communications, the practice of engaging with stakeholders and having clear communications platforms, including articulating hybrid value outcomes (for example in integrated reporting) as well as sharing knowledge and being a thought leader was referenced both in the literature and by case studies (e.g. Simanis & Hart, 2008 and Choi & Gray, 2008; STREAT and Small Giants). It seemed straight-forward for participants to list HR practices that deliver hybrid value, creating social and health benefits for employees as well as productivity and engagement benefits for companies. These included: flex-time, job share, parental leave, employee benefits that exceed industry standards, employee development and training, fair wages, diversity policies, participative decision-making, mentorship, values-based recruitment etc. (e.g. Bull, 2006; Choi & Gray, 2008; Smith et al, 2011; Ceres and NAB). Additionally, participants referenced practices where managers explicitly encourage work-life balance, for example at Bankmecu, where managers ask employees to leave by 5pm so they can get home to

their social lives and families. Another department that participants outlined a number of hybrid value practices was operations. Practices included: value chain efficiencies, closed loop systems, resource efficiencies, renewable energy, green buildings, waste stream modification, water management, carbon offsets, etc. (e.g. Senge, 2001 & Bonn, 2011; NAB & Ceres).

7.1.3 Mechanisms—CERES case study example

A practice category emerged from coding data that was distinct from culture, departments, people and relationships, rules and structures. This category described the mechanisms, methods, procedures, mechanics and agency involved in guiding activities or behaviours that produce value. All six case studies cited a total of 22 practices that described these mechanistic approaches to hybrid value creation, including: (M1) Measurement; and (M2) Value swapping (s.5.1.8) (Table 7.6).

For example, the threat of survival at CERES (s.4.2) forced management to embrace more formalized financial tracking and reporting. An example of this is that CERES' café was able to run at a loss for ten years, due to costs, such as utilities and site maintenance, not being appropriately attributed. After confronting its 'near death' experience in 2012 (s.4.2), CERES has had to get its financial house in order to understand which of its enterprises are surplus-generating and which are loss-making. However, while it has recognized the necessity to improve its financial measurement and tracking, CERES has yet to institute any formalized processes to track social or environmental outcomes. Part of the reason for the lack of formal measurement is due, in part, to an intuitive feeling that value is being created and, in part, due to a lack of financial resources to invest in tracking social and environmental performance.

I think there's a general assumption that we're doing reasonably well, even though we're not measuring it. So, you can go out there and see the water teams, and see the solar panels, and see the social value that's created not only on the site but through our business activities and our educational activities. So, I don't

think there's a question about whether or not there's environmental or social value. The question is how much and could we be doing better. [CER4]

Although CERES knows it is creating positive social and environmental outcomes, though not to what degree, it also struggles with the complexity that arises from issues of incommensurability. Social, environmental and financial value are not commensurable, meaning they cannot be compared by a common standard (Dees & Anderson, 2003b; Trainor, 2006).

In some cases [social and environmental impacts] are one and the same. In some, they're quite distinctly different—like renewable energy to people with disability, those things are not necessarily connected. [CER4]

As CERES goes through its period of transition, re-writing its constitution, redefining the meaning of value, re-structuring its rules and relationships with community, it will likely continue to face these challenges of how to monitor, explain, and maximize the outcomes it seeks.

Of the various practices categorized as 'mechanisms,' most of these included value swapping (s.5.1.8), such as when Bankmecu swaps financial value for environmental value by creating 'Go Green' car loans to offer lower interest rates to customers purchasing more fuel efficiency and environmentally friendly cars. Some organizations implemented value-swapping techniques in products, whereas others implemented value-swapping strategically in developing its portfolio of businesses: some business units targeted at maximizing financial value, other units at maximizing social or environmental impact. Value swapping was also seen in partnership structures, business models, and financial decisions.

Another mechanism, illustrated by CERES and Small Giants who measures impact and return subjectively (s.5.1.6), is measurement and assessment to understand what type and how much value has been created and how that links back to the business case and/or

theory of change. Four of the six case studies pointed to a lack of measurement and assessment tools, as is illustrated by CERES' case study, reinforcing this gap in measurement frameworks and tools highlighted in the literature (Mulgan, 2010a). Small Giants is overcoming value plurality and incommensurability issues by allowing its employees to use their internal values to guide investment decisions and measure the potential and outcomes created in different organizational value assessments (s.5.1.6). As Bornstein (2004) points out, subjective measures are used in courts of law to make complex ethical decisions and in some cases may prove to be an appropriate hybrid value measurement tool.

This category describing mechanisms was tangentially referenced by the literature that highlighted practices in strategy, measurement, and core offering. For example, while value swapping is a unique value concept and mechanism that explains how hybrid value can be created by swapping between types of value (s.5.1.8), the literature had described one aspect of value swapping as a hybrid value practice, namely swapping or trading off financial value for social or environmental value. This was described in the literature as trading off profits for social mission, reinvesting profits for social purpose, or premium pricing strategies for social and/or environmental benefits (e.g. Bull, 2007 and Choi & Gray, 2008; NAB and Goodstart). However, value swapping is a practice that also involves swapping environmental and/or social value for financial value, such as when Small Giants invests in traditional property to balance the financial returns of its largely values-based portfolio or when STREAT decides to maintain its coffee roasting company for financial benefits in spite of not delivering social or environmental benefits (s.5.1.8).

Finally, while many case studies confirm what the literature has to say about the challenges of hybrid value measurement (e.g. Mulgan, 2010; Ceres, Bankmecu, Goodstart, NAB), Small Giants (s.5.1.6) demonstrates how its subjective measurement processes are one practice to overcome the issues with measuring and tracking complex incommensurate values.

7.1.4 People and Relationships—Goodstart case study example

Another category of hybrid value practices that emerged from data analysis was termed ‘people and relationships’ (Table 7.3). People-based practices refers to the traits, characteristics, values and behaviours that key individuals and groups, such as the entrepreneur/intrapreneur, community and teams bring to the organization that inform how the organization creates value. Relationship-based practices refer to the association and interconnectedness of the case studies to other organizations, groups and individuals reflecting how relationships foster hybrid value creation. The codes under these practices include: (P1) Leadership; (P2) Commitment; (R1) Community; (R2) Customers; (R3) Employees; (R4) Investors; (R5) Partners; (R6) Beneficiaries; and (R7) Competitors (Table 7.6). All six case studies referenced a total of 41 practices in this category.

For example, as Goodstart attempts to manage the expectations of its stakeholders, it is striving to overcome the tension in some of its relationships, namely with its competitors (Table 7.6). Because Goodstart is a social enterprise that aspires to lift the quality of early learning across the sector, it is committed to a strategy of advocacy and collaboration. However, it is managing the tension between the strategic collaborative approach and the operational centre-level approach that confronts competitive dynamics.

I think you’ve nailed a really interesting tension though, being what we call a social enterprise, so balancing those quality, social inclusion and financial legs of the stool, it is a tension between competition and collaborating. And as [participant’s] just been describing, the layers of that. If you spoke to someone who is out of the sector, they would view us as competitive, when we are actually trying to be collaborative and that’s because of our size. So the idea’s in something I don’t think we’ve got nailed as yet, and there’s an inherent tension in every decision we make. And it’s tricky, it’s really tricky. It’s a balancing act [GS3].

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In order to collaborate with potential competitors, Goodstart believes it has to invest in building relationships; a skill set participants feel is ‘part of our DNA’. Both formally and informally, at the executive level as well as at the centre director and centre educator level, staff members are encouraged to participate in forming networks and exchanging insights with other early learning staff from other centres and from other organizations—*“There’s a sense of sisterhood” [GS5]*.

One of the other things that was particularly interesting in the development of Goodstart and before our organisation was very internally-focused. And we were actively encouraging our people out in our centres to be connected to people in their communities and be much more externally focused. You know, each of them has their own network which they are kind of a part of and would be adding value to...our centres were able to create networks with other service providers. So what happened is, we absolutely see that part of the work of the CEO of the largest organisation is to contact CEOs and create networks there, that sort of filtered all the way down... it’s really part of the organisation’s DNA to be absolutely connected to other people. [GS3]

By engaging with and collaborating with other sector organizations and participants, Goodstart is hoping to exchange knowledge as well as build relationship capital to be able to influence public policy and advocate for more funding, higher standards, and lift the quality of early learning services offered to children across Australia. Because it has both a social and financial orientation, it believes that part of the purpose of generating financial stability and surpluses is to invest in these types of sector-wide social outcomes that ultimately create value for the community.

We’re taking a public position on important issues in our sector and working with different stakeholder groups to try and get them to commit to increased funding and to defending quality in terms of the types of services and quality of services that are provided to children. If we were a straightforward commercial organisation we would pocket that money. But because we’ve got the social

enterprise as part of our mission to help impact the future and in terms of how to do the work, we do it by collaborating with other partners in the sector, we do it by a lot of government relations and media work and really what we're trying to do is defend the quality reforms that have been talked about over the past few years. So that's an area of activity that is about value creation for the whole sector and for the community. [GS2]

As a social enterprise, Goodstart is navigating the tension of financial stability, which in this case plays out with orientation to competitors for market share, and social outcomes, such as learning, building networks to lift quality as well as advocating for quality improvements for the sector as a whole.

What other ways can Goodstart be supporting other organizations in the sector to use our scale to benefit others? So, if we develop a really great program for developing centre leaders, because we're not aware of one at the moment, a specific leadership course for the early years, maybe that could be something that we fund the design of and could be delivered to others across the sector as well. So, there's opportunities for us to lift the calibre of the workforce. Or even look at procuring services or consumables not just for Goodstart's benefits but for others as well...A practical example is that with our buying power, we can get a great rate on nappies. Could we offer that to others in the sector as well, so that they can reduce their costs as well and in turn put more funding into the quality of service delivery? [GS1]

In addition to facilitating networks and seeking collaborative opportunities at the sector level, Goodstart is leveraging relationships within centres by facilitating peer-to-peer exchanges between centre families. In one example of leveraging relationships to create hybrid value, Goodstart centres are encouraging clothing swaps between families. The centres provide large bins and encourage families to bring clothing that their children have outgrown. Other families can rummage through the bins and take any clothing they would like for their own children. Goodstart is leveraging its relationships with existing

families and space to create additional value by allowing its customers/beneficiaries to create value for one another. Staff members feel that there is anecdotal evidence to suggest these types of gestures also lead to more goodwill amongst families, creating more brand value for Goodstart. Participants also felt that it provided more of a connection between children and families within a centre, creating stronger relationships between families, creating a 'stickier' customer relationship. This is a simple yet tangible example of how Goodstart is creating hybrid value in practice: environmental value through less clothing manufacture, transportation, disposal, and less travel by families; social value through relationship capital and goodwill amongst families and the centre; financial value for families through savings from not having to buy new clothing; and financial value for Goodstart through increased goodwill and social capital.

Participant responses demonstrate how the human traits and characteristics of key individuals as well as the relationships that are built and leveraged are key components of how organizations create hybrid value. Without the moral conviction, tenacity and skill set of the social entrepreneur, STREAT would not exist as an organization (s.4.6), one that scales up its social impact as it grows financially more successful through its commercial operations. Additionally, STREAT has forged a partnership-based growth strategy with key corporate partners, which is based on values alignment, mutual trust and demonstrating that value is being created by and with both partners so that the relationship can grow and be leveraged to create more value.

The relationship story of Goodstart is representative of other case studies, in that it is navigating the delicate balance between competition and collaboration, an issue also highlighted by participants at NAB, Small Giants and STREAT. By finding ways to collaborate with competitors as partners, it is furthering its social mission of providing quality affordable care to more of Australia's children, particularly vulnerable children; however, it acknowledges the centre-level competitive dynamics that do set up value tensions. Participants at four case studies referenced this unique value tension faced by hybrid value organizations, the desire to collaborate for social and environmental benefit, while also acknowledging the financial risks of helping and working with competitors.

Practices in the category of people and relationships include how social entrepreneurs, intrapreneurs, or managers bring their individual traits, characteristics and behaviours to bear to influence organizational strategies, partner screens, relationship selection, etc. In this category, people influence how organizations interact with individuals and groups of people, such as employees, customers, communities, corporate partners, investors, and beneficiaries. The literature cited practices in this category and is corroborated by my data; for example: community investment, community service, economic development and local capital retention strategies (e.g. Stubbs, 2008 and B Corp, 2011; Bankmecu and NAB); industry clusters and partner value screens (e.g. Porter and Kramer, 2011 and Michelin, 2012; Small Giants and CERES); leadership and management values and vision influencing strategic decisions (e.g. Bull, 2007 and Choi & Gray, 2008; Small Giants and STREAT); and customer intimacy strategies such as co-creating products and services with customers (e.g. Simanis & Hart, 2008; Bankmecu and Goodstart).

However, my data uncovered a unique value tension that may be specific to hybrid organizations that has led multiple case studies to discuss how they are collaborating with competitors. For example, as discussed in this section (7.1.4), Goodstart is exploring how it can leverage its cheaper procurement prices and extend these to competitors to bring down the price of nappies (diapers), healthy food, toys, equipment, and/or other supplies, which, in turn, can either bring down the price of childcare across the sector and/or allow competitors to invest surpluses in higher quality offerings, benefitting Australia's families and children. They are also collaborating with competitors to seek a shared government advocacy platform to advocate for improved childhood outcomes across the sector.

Small Giants also referenced how at the portfolio company level, competitive dynamics supported more competitive approaches between industry rivals. However, at the parent company level, Small Giants also is supportive of portfolio company rivals that are helping to grow socially and environmentally positive impact. And, because of the nascent size and stage of their impact investment industry, Small Giants is happy to

invest in growing the sector, supporting the entrance of other impact investors (potential competitors), while also acknowledging that at some point in time, they may need to take a more competitive stance to create a stronger value proposition if deal flow becomes a problem. This relationship-based practice of collaborating with competitors illustrates the value tensions that arise when pursuing more than one type of value.

7.1.5 Rules—STREAT case study example

As organizations navigate complex value tensions, they develop rules to guide how value is created. Rules describe standards, policies, principles and guiding frameworks that guide action or behaviour in relation to how value is created. Ten sub-categories of rule-based practices emerged during data analysis to describe how my case studies were creating hybrid value, including: (RU1) Mission or purpose; (RU2) Time horizon; (RU3) Operational procedures; (RU4) Policies; (RU5) Stakeholder engagement; (RU6) Tacit rules; (RU7) Beneficiary-driven; (RU8) Decisions; (RU9) Incentives; and (RU10) Thresholds. Table 7.6 summarizes examples of each of these ten rules-based practices.

STREAT is navigating some of its value tensions by providing clear rules and guidance around procurement with a decision matrix. The idea behind a decision matrix is that it provides a tool to help a person faced with a decision, such as a purchasing decision, to identify priorities or criteria that can guide that decision-making process.

STREAT's decision matrix was designed to assist staff in overcoming value tensions. This often arises when a chef is faced with the choice to buy local seasonal produce versus organic produce from overseas: which value takes priority? This demonstrates that not only are there potentially inherent tensions arising from competing logics between component values (i.e. financial cost versus environmental benefit), but also tensions that arise within component values (which social value is most important?). Referring back to the decision between local seasonal produce (less travel miles, less air pollution from transport, fresher quality for the consumer, likely supporting the local economy) and overseas organic produce (less land and water pollution from not using

pesticides, healthier quality for the consumer, potentially cheaper purchasing price), this choice illustrates how in a simple day-to-day decision, staff are confronted with choosing which values matter most.

As STREAT tries to “*take the hardness out*” [ST1] of these decisions, it is seeking opportunities to overcome value tensions by clearly communicating value priorities to staff. Given the competing values that managers will inevitably confront, STREAT is using these decision matrices as a communication tool to explicitly state the type of value that it seeks to create, freeing its staff from grappling with these tensions on the ground. In this way, STREAT is attempting to overcome value tensions and offer tools to align its actions with its beliefs.

Other examples of rules that create hybrid value include incentive systems to incentivize performance in alignment with values, described as something NAB participants feel the bank should be undertaking; and performance reviews that include social and environmental criteria, something NAB participants said is currently being practiced. Small Giants cited rules in reference to operational procedures, where the organization makes a conscious effort to make environmentally sensitive choices in its operations as well as rules around its long-term patient approach to investing, a rule Bankmecu participants also cited. All six case studies provided examples for this category, providing 24 distinct rule-based practices that lead to hybrid value.

The extant literature references some of the rules uncovered in my findings, including: the importance of a mission or purpose, longer time horizons, policies and procedures, stakeholder engagement etc., (Choi & Gray, 2008; Smith & Sharicz, 2011). However, two of my findings that detail types of rule-based practices make a new contribution to the literature.

One unique practice that makes a contribution to the extant literature that emerged from my data came from both STREAT and Small Giants whose participants referenced decision matrices or frameworks to guide complex values-based decisions. Whereas

STREAT has implemented decision matrices, Small Giants (s.5.1.6) institutes the practice of relying on subjective assessments, stating that internal values landscapes can better reflect the diversity of organizational values. These types of rules demonstrate how organizations are implementing different approaches to values-based decision making, when and how to prioritize and synthesize a multitude of values.

7.1.6 Structure—Bankmecu case study example

Structural practices describe the structures, systems, and processes that guide action or behaviour in relation to how value is created. This can include governance systems, such as business models or ownership structures, or incorporated forms, such as legal structure, that reveal meaning about value. Table 7.3 demonstrates the four sub-categories that emerged from coding these types of practices, including: (S1) Business model; (S2) Ownership model; (S3) Governance and legal; and (S4) Systems and processes (Table 7.6, s.7.2).

In the case of Bankmecu, the data reveal that the democratic ownership and cooperative model is a key structure that enables hybrid value to be created. Participants felt that the ownership model means that there is not a conflict of interest that other publicly listed companies might face with the obligation to shareholders in conflict with the obligation to customers or community. One participant noted that publicly-listed banks may be motivated to invest in community programs *“to protect [their] reputation rather than out of a sense of obligation that this is the right thing to do” [BM1]*. *“Our shareholder is the customer. We don’t have a shareholder that is sitting there saying, ‘where’s my returns? Why isn’t my share price going up’” [BM4]?*

All five of the Bankmecu participants referred to the cooperative principles that create the *“fabric of our business” [BM1]*, leading Bankmecu to operate by cooperative rules, such as customer elections of customer board members. These rules influence the governance, which, in turn, influences the strategy-making of the organization. And these all relate back to customers representing the views, needs, and values of themselves as

patrons, clients, owners, employees, and directors. In this sense, they (the customer-owners) are striving for the long-term viability and sustainability of their investments, their organization, and their communities.

We're not a business who goes for the easy profits or easy growth. This business could grow more. We could invest in a lot more marketing. But would it be the proper long-term growth? No, it wouldn't, so we don't do it. We're interested in being here for a long time. And, if you look at cooperative businesses in general, it's true of them all. [BM4]

Bankmecu demonstrates how structures are a key component that explains how organizations are creating hybrid value. Other examples provided illustrate how legal structures, governance, business models and decision-making processes can assist organizations in navigating the complexities of meeting sometimes competing value aspirations. However, this category had the least number of cited practices, including 11 practices across five case studies (Table 7.3).

The sixth category—structures—is supported by the literature on business models and governance. For example, Yunus (2010) is known for coining the term ‘social business’ to describe a business model whereby a self-funding business addresses some of society’s most pressing social needs (s.2.3.2.1). Others, such as Stubbs (2008) have explored elements of a sustainability business model or Michelini (2012) a social business model (s.2.6). My findings related to business models (code S1) were corroborated by the extant literature with business-model practices including: marginalized employment models, inclusive or under-served markets, and customers as beneficiaries (e.g. Prahalad, 2002 and Porter & Kramer, 2011; STREAT and Ceres). Governance practices were also observed and include board diversity policies, director level environmental and social performance reviews, democratic ownership, legal form or values-based certification (e.g. Stubbs, 2008; Michelini, 2012; B Corp, 2011; Bankmecu and Small Giants).

7.2 Summary

The previous sections (7.1.1-7.1.6) highlight empirical examples of hybrid value practices to illuminate how companies are moving from value concept and value ideals to execution, implementation and hybrid value outcomes. To compare my findings to the literature, I revisited Table 2.4 (s.2.6), which derived 12 business model dimensions or components from the sustainability, CSR and organizational design literature.

Drawing upon my empirical findings as well as findings compiled from the literature, I have derived Table 7.5 to organize hybrid value practices to demonstrate how companies are creating practices that deliver more than one type of value. Table 7.5 organizes practices by the six practice categories, presented throughout s.7.1 and include: (1) culture; (2) departments; (3) mechanisms; (4) people and relationships; (5) rules; and (6) structures. In each of these six categories, I have noted the case studies that cite practices in each category and sources that corroborate evidence of these practices. I also note my contribution to the extant literature by each practice category.

Additionally, in Table 7.6, I provide examples of each category of the 200 coded practices (see Appendix 8). It denotes the synthesis of my analysis of these practices as I coded how these practices express the five component values (s.5.2.3): internal, social, environmental, financial value for the company and financial value for others. Appendix 8 also contains columns from my coding notes to illustrate what institutional logics are at play and the outcomes of these practices, as a result of drawing upon plural logics. I will refer in more detail to this analysis in the following chapter (8). However, I have provided it in this chapter as a reference to illustrate the observed practices that participants described as creating organizational hybrid value.

Table 7.5 Hybrid Value Practices

Practice Category	Example practices	Case(s)	Source(s)	Contribution(s)
Culture	Cultivating cultures of: love, support, belonging, learning, empowerment, care, compassion, responsibility	BM, GS, NAB, SG, ST	Hawken (2003); Eisler (2008); B Corp (2011); Choi and Gray (2008); Smith et. al. (2011)	The importance of culture on hybrid value, in particular new practices in: Table 7.3, codes C4, C8, C9, C10 (s.7.1.1)
Departments	Carbon offsets; resource efficiency; procurement policies; supply chain decisions; value chain efficiencies; closed loop systems; shift from cost-cutting to value-creating; stakeholder engagement; integrated reporting; employee development, flex-time, parental leave, employee benefits that exceed industry standards	ALL	Choi and Gray (2008); Simanis and Hart (2009); Grayson (2010); Hawken (1993); Senge (2001); Stubbs (2008a); Porter and Kramer (2011) ; Smith et al. (2011); Cornelius (2007)	Reinforcing the extant literature
Mechanisms	Value swapping; measurement	ALL	Choi and Gray (2008); Grayson (2010); Senge (2001); Bull (2006); Mulgan (2010a,b); Bonn (2011) ; Bull (2007); Smith et al. (2011)	Expanding upon the extant literature to include the mechanism of value swapping: Table 7.3, code M2 (s.7.1.3, s.5.1.8)
People and Relationships	Social entrepreneur/intrapreneur, value-aligned partnerships, value screens on partners/suppliers; values-aligned investors; customer-engagement; community service policies; economic development; strategies to retain local capital; community investment; create industry clusters; building trust; authenticity; customer intimacy; competitor collaboration	ALL	Stubbs (2008a); Osterwalder and Pigneur (2010) ; Porter and Kramer (2011); Michelini (2012); Bull (2007); Choi & Gray (2008); Bonn (2011); Smith et al. (2011); Simanis and Hart (2009); Bornstein (2004)	The competitor vs. collaborator dynamic faced by hybrids: Table 7.3, code R7 (s.7.1.4)
Rules	Values-based decision matrices; values-based policies; director-level diversity policies; values-based performance reviews	ALL	Choi and Gray (2008); Smith et. al. (2011)	Rules to guide values-based decisions and institutionalize values through incentive systems: Table 7.3, codes RU8, RU9 (s.7.1.5)
Structures	Hybrid value business models (i.e. social enterprises, marginalized employment models, customer as beneficiary, inclusive or under-served markets); cooperative or employee ownership; Innovative legal structures;	BM, CER, NAB, SG, ST	Stubbs (2008); Yunus (2010); Michelini (2012); B Corp (2011)	Reinforcing the extant literature

Table 7.6 Examples of Practices by category type

Case	Code Category	Code	Title Practice	Practice Description
SG	Culture	C1	Relationships	Personal relationships are highly valued and participants perceive these to be high quality and highly valued
BM	Culture	C2	Employee benefits: Work life balance	Staff are encouraged to have work-life balance and are discouraged from staying past 5pm.
SG	Culture	C3	Values: Values-driven strategic thinking	Our investment philosophy is that we will only invest in companies that provide products and services that are good for the world (useful) and that we would want to use
SG	Culture	C4	Intuitive and entrepreneurial	Open management; collaborative approach; intuitive entrepreneurial decision making
SG	Culture	C5	Staff relationships	Family gatherings, Friday lunches, social events to encourage quality relationships
SG	Culture	C6	Visionary; prove the model	SG is trying to prove the investment thesis of values-based investing and is hoping to 'be the business it wants to see more of in the world'
SG	Culture	C7	Workplace: Fun, Collegial	fun and collegial; we also encourage this in portfolio companies
ST	Culture	C8	Intimacy (customer-beneficiary)	Because the homeless kids (beneficiaries) work in cafes, customers can experience the impact through relationships and intimacy. It is not an abstract 'benefit' but a person with whom the customer has visibility and intimacy.
GS	Culture	C9	Multi-cultural: Cultural sensitivity and diversity	At the centre level, staff recognizes cultural diversity amongst families and intentionally cultivate a culturally diverse, respectful and supportive environment that reflects the multi-cultural needs of families. For example, celebrating multi-cultural festivals, catering meals with multi-cultural influences and sensitivities.
NAB	Culture	C10	Knowledge sharing and learning	Work with JBWere Philanthropic team to deliver the Harvard Business School social leadership program and the annual CEO forum for NFPs. We deliver a range of networking and industry led thought leadership events throughout the year via corporate responsibility and gov't education and community business

Case	Code Category	Code	Title Practice	Practice Description
ST	Departments	D1	Communications: Communicating a clear value proposition	Wrote an annual report for partners, quantifying how much homelessness the partner contributed to helping stop
BM	Departments	D2	Finance: Philanthropy	Invest up to 4% of after-tax profit back into communities. One example of value swapping at Bankmecu is its community investment program where up to 4% of its after-tax profits is invested "back into communities" [A4]. This investment is targeted toward activities that "help solve economic, social and environmental problems" (Bankmecu, 2014).
CER	Departments	D3	HR: Employee benefits	Fair wages, non-discrimination, flex-time, pleasant work environment, employee benefits that exceed industry standards, employee ownership, maternity leave
BM	Departments	D4	Operations: Minimize environmental impact behaviours	Monitor and try to reduce waste and energy streams. Have installed solar panels and water tanks at the head office. Monitor and try to reduce energy and water use of all buildings
BM	Departments	D5	Sales and Marketing: Values-based products to attract new customers	targeting values-aligned customers through environmental offset products is one reflection of how Bankmecu is integrating customer values into its strategy; Bankmecu first uses a multitude of communication platforms to engage its customers and discover what its customers' values are; however, the bank then takes this information and feeds it directly into informing strategic decisions on an ongoing basis
SG	Departments	D6	Strategy: Partner for scale	One strategy is to achieve scale by partnering with IIG to invest "other people's money...to scale to the high heavens what it is that SG does." [E5]
NAB	Departments	D7	Supply chain: Supplier Sustainability Program	Require suppliers to sign sustainability principles that requires them to measure environmental metrics and require collaboration with NAB to work on environmental impact reduction initiatives and social impact initiatives. There is also a supplier diversity program to give advantage to indigenous, disabled, women-owned and social enterprises

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Case	Code Category	Code	Title Practice	Practice Description
ST	Mechanisms	M1	Measurement	Very strong measurement and evaluation framework and tools to track social, environmental and financial impacts and performance. Monthly reporting reflects 3 P's values (how's it been going this month with the financial? What's the social impact of the site? What are the environmental initiatives we have highlighted for the site?)
BM	Mechanisms	M2	Value swapping: via products	Offset new home construction by investing in a conservation land bank
NAB	People	P1	Leadership: personal values	Participants cite how it is crucial that leaders bring their personal values to bear
NAB	People	P2	Commitment: long-term commitment from the top-down	Participants felt that top tier commitment to social and environmental programs was not long-term or predictable enough to allow programs to get out of the start-up phase and move into profitable or more stable and sustainable programs. They felt that executives often 'pulled the plug' or stopped funding programs after 1-2 years, which sometimes was not long enough to cross from a learning and piloting phase into a more stable and blended value business initiative
BM	Relationships	R1	Community: Retain local capital	Through job creation and customer ownership, able to retain local capital
BM	Relationships	R2	Customers: Targeted philanthropy	The bank financially supports value added services for targeted values-aligned customer groups. For example, it invests in the development of business managers and leading teachers, as the bank enjoys a large market share of banking the education sector.

Case	Code Category	Code	Title Practice	Practice Description
SG	Relationships	R3	Employees: Team and Community	Participants discuss values alignment, chemistry, connection, and commitment in building partnerships, which Small Giants feels is akin to interpersonal relationships. This approach reinforces the importance of individual values and again alludes to the seamlessness between organization and individuals. This emphasis on relationships translates into one way that Small Giants is bringing its organizational values into the way it relates to partners and the way it manages its investments.
GS	Relationships	R4	Investors: Values aligned investors	Goodstart was founded by partners with values-alignment, namely non-profits with missions to support vulnerable populations. Additionally, private investors offered 'social notes' to support the social mission with soft debt that may be converted to donations.
ST	Relationships	R5	Partners: Building and leveraging trust for scale	Cultivating individual relationships with partner organizations over a long period of time, where trust is built and then leveraged to expand opportunities within the partnership to create shared value. For example, exploring new business models and value creating opportunities with partners to expand impact and achieve scale
ST	Relationships	R6	Beneficiaries: Belonging	Focus on social inclusion of a highly marginalized group. Engage community members as customers, supporters and volunteers to become part of the social change
GS	Relationships	R7	Competitors: Leveraging scale to extend discounts to competitors and bring down the cost of affordable childcare	Supporting other competitors in the sector by exploring where there are opportunities to lift the calibre of the workforce, for example by funding the design of a leadership course that could be shared across the sector. Or leveraging their scale and buying power to share lower rates on nappies (diapers) and other supplies to bring down the cost of business and make access more affordable for more families and children

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Case	Code Category	Code	Title Practice	Practice Description
BM	Rules	RU1	Mission or purpose: Cooperative principles-- Customer elected and customer representative board	Following cooperative principles, Directors are elected from customer base
SG	Rules	RU2	Time horizon: Long-term time horizon	Patient approach to investing means that SG makes investments based on the long-term value a business will bring to its portfolio and to the world. The long time horizon means it is not seeking a quick exit but prefers to seek portfolio companies based on long-term values alignment
SG	Rules	RU3	Operational procedures: Environmental screens	Conscious effort to make environmentally sensitive choices in operations, from chosen biodegradable natural carpets to eco-paints and eco-cleaners
CER	Rules	RU4	Policies: Procurement policy	The food purchasing policy focuses on local produce, starting with Ceres itself then the closest producers and then extending it to Victorian farmers.
CER	Rules	RU5	Stakeholder engagement: Navigating a complex community of stakeholders	A big part of CERES' story, and its identity, is its connection to community, and CERES is currently grappling with how it interacts with and defines its very large and diverse community. By far, the majority of participant comments related to the complexity of stakeholder interactions in navigating the identity of the organization, articulating organizational values, and instituting a new strategic direction to deliver upon these values. One informal rule that is particularly challenging to uphold in the face of such a large and diverse community is that of direct participation. "I think we're a little bit confused about who and when to consult" [B2].

Case	Code Category	Code	Title Practice	Practice Description
GS	Rules	RU6	Tacit Rules: Informal information hub to connect beneficiaries to community services	Informally, centres offer community information to their families, serving as a sort of local information hub, particularly to new immigrants. This is more of an organic process at the centre level that is being formalized strategically at the national head office.
SG	Rules	RU7	Beneficiary driven: Customer as beneficiary	"We want to create businesses we want to work at. We want to create businesses we want to shop from, we want to have, you know, from feminine hygiene to the houses that we live in through the property, through the magazines that we buy, every element of our business should be coming back to basically what we want to see in the world.
NAB	Rules	RU8	Decisions: decision matrices	Decision matrices are informing which stakeholders, social targets and objectives inform strategy and practices. For example, NAB uses a stakeholder wheel to evaluate impacts on customers, staff, community, suppliers, suppliers' conditions, and impact on the environment. These groups inform strategy and objectives. For example, the social finance team has the objective to reach 1 million people by 2018. Each team, such as education, financial inclusion, etc. have corresponding objectives
NAB	Rules	RU9	Incentives: Performance Reviews	Director-level social and environmental performance reviews; diversity policies
SG	Rules	RU10	Thresholds: Financial thresholds	Setting upper limits and financial thresholds such that when financial maximums ('enough profit') are reached, value can be swapped to be invested or diverted in other types of value outcomes, such as lowering the price of a product, improving the environmental efficiencies etc.
SG	Structure	S1	Business model: Hybrid organization	The idea was to found a company that brought together the worlds of philanthropy or charity (the social outcomes and mission) and making money

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Case	Code Category	Code	Title Practice	Practice Description
BM	Structure	S2	Ownership: Customer ownership	As a customer-owned bank, the bank describes value as a reflection of customer values, which include financial definitions as well as social and environmental value aspirations. The entire sector is described as understanding that banks need to be profitable but that "the society and environment we live in is extremely important and must be equally thought of" [A4]
ST	Structure	S3	Governance and legal: Innovative legal structures	Creative governance and legal structures to manage multiple values (i.e. for profit parent company to receive impact equity investment; however, run like a non-profit where 100% of profits reinvested into mission); Incorporating a for-profit entity under the non-profit parent in order to receive equity investment
NAB	Structure	S4	Processes: Institutionalize processes and systems that account for hybrid value	Currently, individual bankers' values often influence the social and environmental outcomes positive or negative of projects and clients that are financed. Participants suggest that NAB needs to institutionalize hybrid value into its processes and systems to remove personal value biases.

Chapter 8 Conceptual Model

In this chapter, I interpret my findings and analysis (Chapter 5-7) to derive a conceptual framework of case study findings and show how institutional logics can help explain the component types of value and how the intersection of multiple logics leads to outcomes reflective of hybrid value.

In section 8.1, I explain the relationship between institutional logics and component values, discussing how each component value can be interpreted to hold a different meaning based on the logic applied, and I derive my conceptual model based on these relationships between logics and values in figure 8.1. In section 8.2, I summarise the outcomes that emerged from data analysis and how those outcomes relate to the intersection of multiple logics to further develop my model. In section 8.3, I plot each of my case studies on my conceptual model, creating ‘value footprints’ to show how each component value type was influenced by a different mix of logics and illustrating possible outcomes for each case. I then synthesize my results to demonstrate the dominant logics displayed by each of my case studies in a cross-case diagram in figure 8.8.

8.1 Logics and Values

Prior to data collection, the distinction between institutional logics, value components and desired outcomes was not entirely clear. The literature could be interpreted to equate financial value with market logic, social value with community or social welfare logic, and environmental value with intrinsic or social welfare logic. However, it became clear during data analysis that the relationships and distinctions between institutional logics, component values, and desired outcomes were more complex.

I identified that my case studies defined hybrid value as a hybrid of four types of component values (s.5.2.3) including: (1) environmental value; (2) social value; (3) financial value (for the company or others); and (4) internal value. I also identified four institutional logics that were

reflected by my case studies: (1) intrinsic logic (s.5.2.4); (2) community logic (s.2.5.1); (3) market logic (s.2.5.1); and (4) social welfare logic (s.2.5.1).

During data analysis, it became evident that the institutional logics relevant to my case studies provided lenses from which to frame or interpret the component types of value. To date, the extant literature has not made this distinction or demonstrated the relationship between institutional logics and components of hybrid value, illustrating how logics influence and help define an organization's interpretation of value.

In the following sections (8.1.1-8.1.4), I analyse how each of the four types of component values uncovered in my case studies data is interpreted by each of the four institutional logics perspectives.

8.1.1 Environmental value

Environmental value was described by participants in four distinct ways, reflecting the different ideologies associated with each of the four logics observed across case studies: (1) nature; (2) place; (3) natural resources; and (4) ecological health (also described as environmental degradation, pollution, etc.).

8.1.1.1 Nature (intrinsic logic)

Participants discussed environmental value from an intrinsic logic (s.5.2.4) perspective as nature conservation strategies or protecting nature for nature's sake, illustrating the logic of valuing something in its own right. *"It's about the sacredness of nature" [CER3]*. This perspective attributed environmental value in an intrinsic way, valuing the environment for its inherent worth.

There's a kind of sense of removing humans from the world is not the ultimate.

Removing our impact from the world is not the ultimate goal of environmentalism.

Because then you'd get rid of every organism, because every organism has an impact.

The lion kills the gazelle...and the gazelle goes, why? Get rid of the lion, this is crazy!

Why are you letting the lion kill me? We don't look at nature and go, that lion is bad.

It's part of the system. When the lion kills more gazelles than there are gazelles, it's not

in balance. But if the lion stops killing gazelles and they become friends, well then it'll be out of balance on the other side. The point is not to not exist on earth, the point is just to say we're not out of balance to say we're not taking from the earth and leaving it weaker than it was without us. The ideal system has enough lions and enough gazelles, but they kind of keep each other in check. And I think on the planet there is nothing keeping us in check. [SG6]

8.1.1.2 Place (community logic)

In contrast, a community logic interpretation of environmental value was described as a sense of place, emphasizing the logic that organizations are a part of communities (s.2.5.1; Thornton et.al, 2012). *“Because if the community is unhealthy, then our business isn't going to be healthy either” [ST7]*. At times, the environment was described as a place to be cared for, such as in the work environment, reflecting how an environmental measure, such as indoor air quality, is more reflective of a sense of place or space to hold community members. This interpretation saw value in maintaining the health of a site or place. *“We're a place, so a community site, we're on public land, um, there's free entry, anyone can come and use the space for whatever it is they want to use it for –whether it's just visiting the chickens, or organising a festival or having a meeting with their group – there are many ways that the community at large can use the site” [CER4]*.

8.1.1.3 Natural resources (market logic)

Environmental value according to market logic is interpreted as natural resources, such as raw materials that can be mined or utilized in the process of production. This aligns with the definition of market logic as emphasizing efficiency and profitability (Friedland & Alford, 1991) (s.2.5.1). *“There's nothing we would implement in the resource efficiency space that wouldn't have a clear financial input back to the business as well” [NAB12]*.

8.1.1.4 Ecological health (social welfare logic)

Finally, a social welfare logic lens provides an interpretation of environmental value as ecological health, or reducing negative impacts and improving the health of the ecosystem, thus

framing environmental value as a social need (Pache & Santos, 2013) (s.2.5.1). For example, participants talked about operational improvements to reduce carbon footprints, reducing pollution, and making procurement decisions that were ‘better for the environment,’ alluding to a desire to reduce environmental harm by making more environmentally sensitive choices. Bankmecu described environmental value in terms of ecological health, for example, in terms of their conservation land bank, *“which basically stems from trying to offset the impacts of our banking practises, so our car loans so planting trees to, you know, sequester carbon to offset the cars that we finance...and also the biodiversity costs of new home constructions”* [BM3].

Thus, my case study data revealed that logics provided the lenses from which to frame and interpret types of value. Environmental value, in this case, was defined as either: nature (intrinsic), place (community), resources (market), or ecological health (social welfare).

8.1.2 Social value

I found the same patterns and evidence when analysing social value from the lenses of different logics. Participants described social value as: (1) inherent worth or people; (2) relationships; (3) opportunities; and (4) social need.

8.1.2.1 People (intrinsic logic)

For example, an intrinsic logic perspective of social value interprets value as people because they exist as people, distilling the essence of ‘human rights’. Goodstart referenced the value of children’s education, sense of belonging and well-being, again reinforcing this view of social value for the right of the child. *“So there’s value that we create for children in their lives...a sense of belonging and children having a right to safety and their wellbeing right here and now”* [GS3]. Because of the centrality of the well-being of children in Goodstart’s mission, participants also cite examples of the organization committing to the well-being of children by deliberately paying more for uniforms to verify the absence of child labour from the supply chain. These examples describe how participants apply an intrinsic logic, valuing something in its own right, attributing inherent worth to interpret social value as ‘people’.

8.1.2.2 Relationships (community logic)

Social value is interpreted as relationships through a community logic lens, or the interactions between people within a community, describing elements of social capital, such as trust (Putnam, 2000). For example, Bankmecu describes social value as the strength of its relationships with employees and the community, but particularly in reference to its customers. *“What we are saying is customer value for us is at the centre [of how we define value]” [BM4].* All six case studies had some participant interpretations of social value as relationships, whether with employees, customers, beneficiary groups, or community members. All case studies saw the importance and value of investing in and cultivating strong and positive relationships with people in their communities. *So, you asked about our values, things like integrity and quality and love and relationships and passion and all of that. And yeah, all of that is true. But I think most people have that... ‘relationships always come first’ is one of our fundamental truths [SG6].*

8.1.2.3 Opportunities (market logic)

The intersection between market logic and social value is described neatly in the shared value concept (Porter & Kramer, 2011) (s.5.1.2, 2.4.2.2), which describes how firms can explore revenue models by exploiting social market niches, such as financial exclusion (Prahalad & Hammond, 2002) (s.7.1.2). For example, one participant describes how financing renewable energy came about as a result of diversifying its portfolio, risk management, and social niche opportunities.

Our team is about saying we’ve future-gazed about the profitability of business and we sort of thought, optionality, coal-powered generation was maybe going to be a diminishing business. So, if we think about our sustainability longer term, we have to diversify our fleet of investments. To sit there and say, “I currently own, I think 10 years ago, probably 90% coal-fired.” And we thought, hmm, actually, carbon’s coming. This is not necessarily where we need to be. We need to hedge our bets and move into something else. [NAB13]

Employing market logic requires companies to assess social needs as opportunities to be exploited, reinforcing the logic of profit maximization. So, organizations that framed an unmet social need as a revenue-generating opportunity, even in the case of microfinance through indirect reputational dividends, described by NAB (s.7.1.2), is reflective of framing a social need as a market-based opportunity.

8.1.2.4 Social need (social welfare logic)

In contrast, social value according to social welfare logic is perceived as addressing a social need, such as unemployment, a purpose that originally fuelled the establishment of CERES, as it attempted to address issues of local unemployment, environmental degradation, and resource shortages. Framing social value as an unmet need was also reflected by STREAT's social mission of "*stopping youth homelessness*" [ST1]. Prior to data analysis, it was easy to confuse social welfare logic and social value, assuming they were one and the same. However, analysis has revealed that it is only one lens with which to understand and interpret social value as an unmet social need.

8.1.3 Financial value (for the company and for others)

Financial value is interpreted again according to the four logics. While 'financial value for others' is sometimes framed or interpreted by participants as social value, for the sake of simplicity, I include it with my analysis of financial value for the company, as regardless of the beneficiary, the type of value is defined in terms of monetary worth or gain (s.2.4.1). Financial value was thus interpreted as: (1) comfort; (2) resilience; (3) profits; and (4) philanthropy or benevolence.

8.1.3.1 Comfort (intrinsic logic)

From an intrinsic perspective, financial value is interpreted as a sense of 'comfort' reflecting a threshold or limit defined as having 'enough' or being satiated. The descriptions of financial value as a type of comfort or money for money's sake were very rare to come by in the participant interviews. However, one example of this type of logic can be seen as a participant describes money as something not imbued with meaning beyond its utilitarian purpose,

describing money for money's sake and equating this as fuel or food for business. He describes having enough food is satisfying, whereas having too little food gives a sense of desperation and starvation and too much food results in sickness and 'obesity.'

And he says, so, are you targeting a 15% return, an 8% return? And I said, we're making sure that we've got enough that we need. It's like, I don't say I want 80 grams of food a day, but I know there's a rough amount that's enough, and as long as I get that, I'm kind of good. You know? I didn't set a target of food this morning, right? For us, money is the same. We want to be sustainable. You know? However much we need, we'll work out at the time, and that's what we need to do. [SG6]

8.1.3.2 Resilience (community logic)

Applying a community logic lens to financial value was often described by participants as a type of financial well-being for community members or a type of economic resilience. This was referred to by one participant when he described the link between a large corporate business that develops shopping centres and the economic resilience of those surrounding communities. *"If you don't take the time to reinvest back into the communities and you don't support the communities, to the degree that you can support them, then it does actually end up having material impacts on your ability to deliver the financial returns that you need to get for your business"* [ST7].

Ten participants acknowledged the importance of 'investing' in community resilience, describing the importance of economic development and community-level financial health.

8.1.3.3 Profits (market logic)

The closest parallel in my data between logics and values is market logic and financial value, where the goal of market logic is to maximize financial value for the organization, generating financial surpluses in the form of profits that can be allocated to shareholders (owners). NAB provided examples where the dominant market logic emphasized and incentivized profit

maximization. *“The bank really only cares about am I making money and what is the size of the potential” [NAB13].*

8.1.3.4 Philanthropy (social welfare logic)

Finally, social welfare logic, which seeks to address unmet needs, may frame financial value as philanthropy or benevolence, or donating money to a social cause with charitable or moral drivers, for example when NAB donated money to bushfire survivors. *“So, traditional philanthropy still happens to some degree [NAB3]. Yeah, we’re making some [donations] this morning, with the bush fires [NAB4].”*

This perspective of ‘helping others’ or donating money to address a social need reflects how financial value can be framed in light of social welfare logic.

8.1.4 Internal value

The following sections discuss how an internal landscape can hold multiple values and ideologies simultaneously. Thus, internal value can reflect any and all of the institutional logics’ interpretations of the component values. Internal value was described by participants as: (1) morality; (2) connection (3) making money; and (4) helping others.

8.1.4.1 Morality (intrinsic logic)

The most frequent quote amongst participants across cases included explaining their engagement in hybrid value creation as: *“the right thing to do”* (s.5.2.4). This phrase was stated by 19 of 49 participants across four of the six cases, describing an internal moral compass or an inherently morally superior choice in their internal values landscape. When participants referenced morality, they were drawing on an intrinsic logic, valuing something because it’s the right thing to do.

8.1.4.2 Connection (community logic)

The community logic perspective that individuals described to reflect their internal values demonstrates a sense of responsibility to those they felt connected. *“Who do we touch through*

our product and how do we support the community we touch” [SG6]? This sense of responsibility to the community of people touched by an organization was reflected in participant comments referring to customers, employees, partners, supply chain, and the broader community.

8.1.4.3 Make money (market logic)

According to market logic, an internal value orientation reflects the desire to make money. This idea was reflected in participant comments about fair wages and systems of incentive. Participants at NAB, for example, felt it was important for organizations to align their values with bonuses and financial compensation of employees (s.7.1.5), noting that employees and individuals are clearly also motivated by making money.

8.1.4.4 Help others (social welfare logic)

Finally, internal value according to social welfare logic is interpreted as the desire to help others or feeling a responsibility to act charitably toward vulnerable and less fortunate people. When participants described their personal feelings about addressing a social need, for example, *“it felt like such a violation of someone’s human rights” [ST1]*, they were expressing internal values through a social welfare lens.

About half of all participants talked about wanting to ‘do the right thing’ or feeling they had a personal mission to help others, which is why they felt they sought out roles with organizations that, in turn, were reflective of these personal missions and internal values.

Internal value was described as quite distinct to the other three types of component values, in that it expressed individual values internal to individuals but also internal to the organization and much more intimately connected to and reflective of organizational value than the other three component types.

8.1.5 Summary

The extant literature has yet to demonstrate the relationship between organizational hybrid value and institutional logics. My research is able to draw clear relationships between the four logics observed in my case studies and the types of value these organizations hope to create by firstly making clear the distinction between logics and component values and secondly by showing how each logic provides a lens through which to interpret each type of component value.

8.2 The logics and outcomes of hybrid value—a conceptual model

The previous section (s.8.1) and chapters (2-7) have provided the evidence that led me to develop my conceptual model, depicting how organizational value is comprised of component values and institutional logics. Figure 8.1 summarizes my findings and analysis into a baseline conceptual model detailing the relationships and interactions amongst and between component values and institutional logics. The next sections of this and the next chapter (s.8.3-8.4; Chapter 9) build upon this model.

In figure 8.1, the four logics displayed by my case studies were plotted at the end point of each x-axis and y-axis, with intrinsic logic placed on the upper or northern point of the y-axis and market logic. I chose to have these two logics displayed visually on the y-axis for two reasons. The first was to reflect that ‘financial value’ is often placed on the y-axis, as is depicted in the ‘Value Quadrants (Model 2)’ (adapted from Thornley & Dailey, 2010) (fig.5.5-5.5.1, s.5.1). Because market logic holds financial value as its ultimate outcome, I plotted market value on the y-axis. Second, because I created a quadrants type of model to depict the intersection between two dominant values, I paired intrinsic logic and market logic as they are the closest pair, reflecting opposite poles of attributing value. Whereas market logic reflects the goal of generating surpluses for owners and would frame types of value as utilitarian to maximize profits, intrinsic logic would display an alternative or opposing type of logic where value is created for value’s sake.

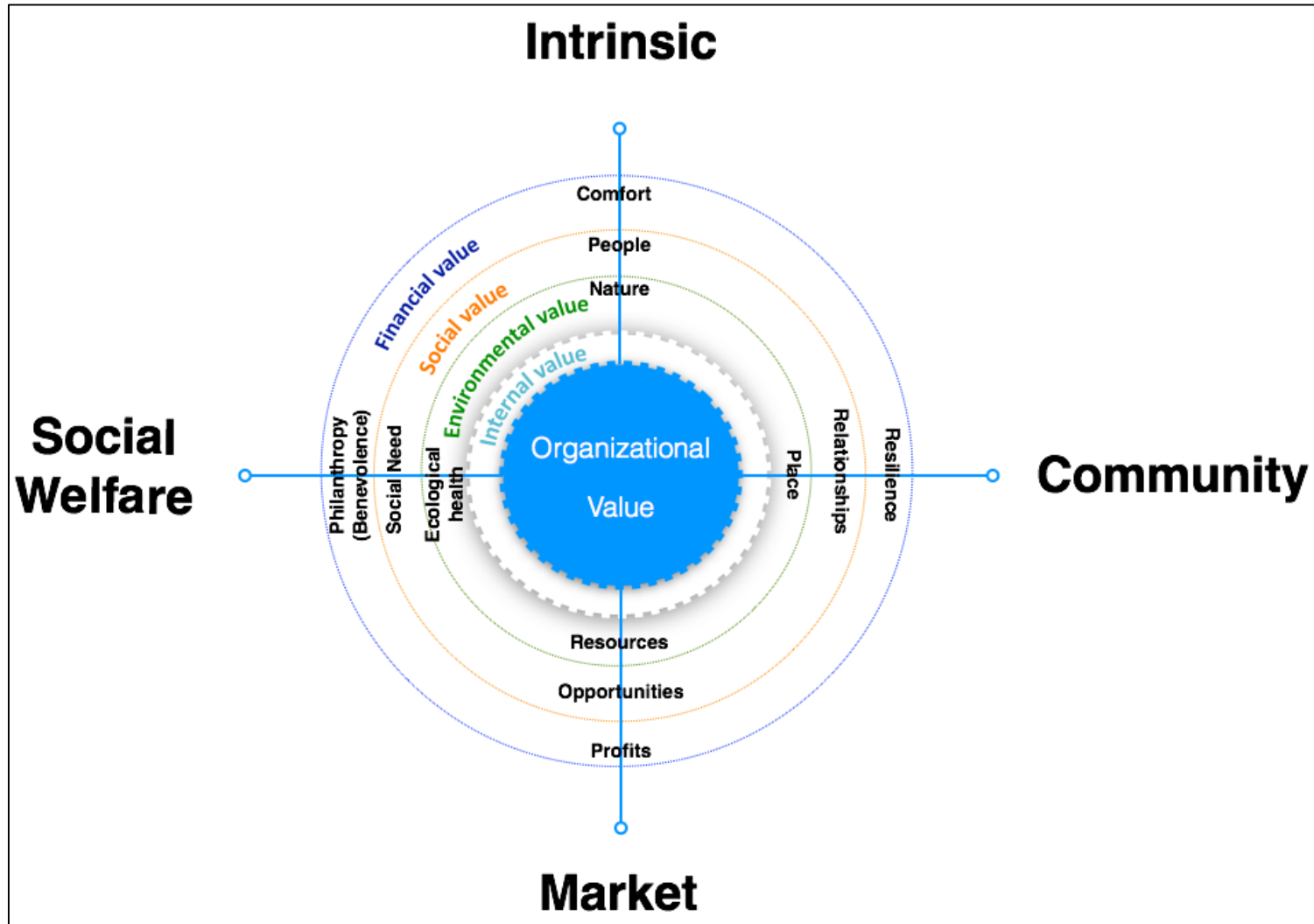
Community logic and social welfare logic are plotted on opposite poles of the x-axis, again reflecting that social/environmental values were placed on the x-axis (and/or z-axis) in ‘Model 2’ (fig. 5.5-5.5.1, s.5.1), and both of these types of logic reflect the importance of outcomes for communities, people and the environment. This pair is not in ‘opposition,’ but reflected instead nuanced differences between the importance of creating value for community members or stakeholders and addressing vulnerable populations or unmet social needs.

Because each of my four logics are visually depicted along these four poles at the ends of two axes, the model does not depict how social welfare and community logics intersect nor how market and intrinsic logics intersect; whereas my data support that they do, in fact, intersect. Additionally, more than two logics can be at play in organizational behaviour, as is represented in Table 7.6 (s.7.2), where practices were coded to display anywhere between one and four of the logics.

However, for the sake of clarity and simplicity, my model is representative of how more than one type of logic can be at play, determining how organizational value is defined and how the combination of more than one type of logic can lead to hybrid outcomes. I discuss how more than one logic can intersect in s.8.2.1.

At this stage, my conceptual model demonstrates how institutional logics relate to organizational interpretations of value. This model illustrates how institutional logics provide a filter from which to understand and interpret the meaning of component types of value: internal, environmental, social and financial.

Figure 8.1 The logics of hybrid value—a conceptual model



8.2.1 Outcomes

Building upon the relationship between institutional logics and component values, I now clarify what outcomes organizations may be seeking by pursuing plural and hybrid value orientations. My analysis reflected an iterative process where I reviewed the raw participant data, reading the transcripts and worksheets for evidence of the outcomes organizations are seeking, going back to my observed practices spreadsheet to interpret participant statements for these outcomes that could be deduced, and reflecting back to my data and the literature to see what it said about why companies are pursuing hybrid value. Chapters 5-7 have provided a starting point by illuminating that companies are seeking outcomes such as: organizational legitimacy (e.g. s.6.1.2), employee engagement (e.g. s.5.1.2), values alignment (e.g. s.6.1.1, 5.1.6), customer engagement (e.g. s.5.1.6, s.5.1.2), reputational benefits (e.g. s.5.1.2, s.6.1.2), increased profits (e.g. s.6.1.2), etc.

Taking these identified outcomes as a starting basis, I then re-examined Table 7.6 (and the complete list of practices in Appendix 8) and coded each practice for the outcomes according to each type of logic. For example, the first practice listed on Table 7.6 (s.7.2) is listed as Small Giants, code C1 (relationships) and describes how participants thought that the culture reflected the importance of personal relationships, described as those between staff as well as partners and community members. I then listed three codes under three of the four logic columns to demonstrate that this practice would likely yield the following outcomes: profits (market logic), employee engagement (community logic), and trust (internal logic) (see Appendix 8). This process was applied to all 200 observed practices until I had identified 36 unique outcomes that reflect the outcomes participants cited throughout interviews and focus groups (examples provided in chapters 5-7). For each outcome, I then tallied the number of times I coded each of the four logics. For example, in Appendix 8, the first line item I coded social value as ‘relationships,’ expressing community logic; financial value as ‘productivity,’ reflecting a market logic; and internal value as ‘belonging’ reflecting a community logic. So, each of the outcomes under this practice would receive two tallies for community logic and one tally for market logic. In the one instance where scores were the same for the co-dominant logic, which

appeared in the outcome of ‘social need’ where the dominant logic with a tally of six was social welfare logic and the two next most dominant logics were market and community logics, each with a score of five, I illustrated this outcome as the intersection of social welfare and market logics. However, as can be seen in table 8.1, the outcomes express different degrees of each logic, and while some may have been coded more often to two ‘dominant’ logics, it is clear to see that there are multiple logics at play, and the illustration of two logics serves to highlight this plurality.

Table 8.1 provides a list of outcomes derived during data analysis. In table 8.1, I detail the number of times each outcome was coded to each type of logic. For example, the first line item in table 8.1, accountability, was coded 0 times to social welfare logic, 3 times to market logic, 0 times to community logic, and 1 time to intrinsic logic. The second line item in table 8.1, the outcome of autonomy, linked to practices, was coded 20 times as social welfare logic, 9 times as market logic, 6 times as community logic, and 4 times as intrinsic logic. Once I ‘scored’ each outcome, I then used bold text to demonstrate the two dominant logics at play in each outcome. For example, the first line item, autonomy, had dominant logics of: social welfare and market. Sense checking my analysis, this is plausible as autonomy (s.5.1.4) is described as obtaining enough financial surpluses to pursue a social mission, combining market and social welfare logics.

Table 8.1 Hybrid value outcomes and intersecting logics

(SW=social welfare; M=market; C=community; I=intrinsic)

Outcomes	SW	M	C	I
Accountability	0	3	0	1
Autonomy	20	9	6	4
Brand Value	16	12	29	8
Capacity building	2	3	5	4
Care	30	16	26	22
Community engagement	17	45	37	11
Community well-being	55	34	35	41
Cost savings	0	5	1	2
Customer engagement	6	23	37	10
Diversity	19	8	30	14
Ecological health	46	47	29	33
Economic development	18	10	25	10
Employee engagement	8	40	50	29
Empowerment	8	12	26	7
Financial sustainability	1	4	4	1
Improved childhood outcomes	2	0	1	1
Inclusion	36	16	30	23
Love	2	3	10	9
Market Share	2	13	24	7
Conservation	3	6	1	4
Nurturing	7	7	16	15
People	2	3	8	1
Place	0	2	2	0
Productivity	0	4	6	2
Profits	31	124	103	51
Relationships	5	6	10	3
Reputation	47	25	40	25
Resilience	35	26	35	17
Respect	7	8	19	7
Responsibility	0	3	2	1
Right thing to do	2	0	3	2
Risk Mgmt	2	3	8	1
Social capital	20	28	45	9
Social need	6	5	5	2
Trust	9	17	40	11
Well-being	1	4	1	8

In order to illustrate all combinations of intersecting logics, I looked at the outcomes that emerged from intersecting or combining all logics. In table 8.2, I develop a 4x4 matrix showing the dominant and co-dominant logics as headings on both axes and the outcomes that resulted from combining these logics in the squares in the middle.

Individual practices displayed anywhere between 1 and 4 logics. However, the bolded text (Table 8.2) demonstrates the average scores or the number of total times these two logics were coded to an outcome. For example, in table 8.2, the first box—intrinsic-intrinsic—produces outcomes such as: employee engagement, nurturing, and profits. However, most of the time, employee engagement was coded under community logic because of the practices that corresponded to these codes, followed by market logic, so you see it in bold in that box, community-market. Equally, nurturing was coded the majority of the time as an outcome of community-intrinsic logics, again due to coding practices that reflected these logics (see s.3.3.2). And profits were coded as market-community. In summary, the bolded text shows the aggregate coding or where the majority of practices revealed the two dominant logics to be; whereas the grey text shows how individually analysed practices could yield outcomes with a different combination of logics (Table 8.2). In total, there were 36 unique outcomes derived from participant data.

Table 8.2 A 4x4 logic and outcomes matrix

		Dominant logic			
		Intrinsic	Community	Market	Social Welfare
Co-dominant logic	Intrinsic	Employee engagement Nurturing Profits	Capacity building Love Conservation Nurturing Right thing to do	Accountability Cost savings	Community well-being Improved childhood outcomes
	Community	Reputation Resilience Inclusion Diversity	Resilience Empowerment Market share Social capital Reputation Economic dev't Customer engagement	Community engagement Financial sustainability People Place Profits Responsibility	Care Inclusion Reputation Resilience
	Market	Well-being Leadership Trust Employee engagement	Customer engagement Employee engagement Empowerment Market share Productivity Relationships Respect Risk Management Social capital Trust	Reputation Market share Autonomy	Autonomy Social need
	Social Welfare	Reputation Inclusion Care Diversity	Brand value Diversity Economic development	Ecological health	Brand value Community well-being Inclusion

8.3 Value ‘Footprints’

Building upon sections 8.1 and 8.2, I plotted each case study on my model to demonstrate how organizations are drawing upon multiple logics to achieve hybrid value outcomes. Table 7.6 (s.7.2) represents a sample of the long list of practices that participants described as creating organizational hybrid value (Appendix 8). Appendix 8 and chapter 3 (s.3.3.2-s.3.3.4) also detailed my coding notes, tracking the types of component values displayed in each practice and the institutional logic lens that predominantly influenced that component value. For example, if the practice articulated conservation efforts to protect nature for nature’s sake, environmental value for that practice was coded as ‘nature’ or ‘conservation,’ illustrating an intrinsic logic. If the practice alluded to resource efficiency, environmental value was coded as ‘resources,’ expressing market logic, and so on. This process informed my data analysis to derive the value interpretations described in s.8.1 above. It also helped me to assign value and logic ‘scores’ to each of my case studies, which allowed me to ‘plot’ or ‘map’ my case studies onto my model (fig.8.1), creating a ‘value footprint’ for each of my case studies (s.8.31-8.3.6).

8.3.1 Bankmecu

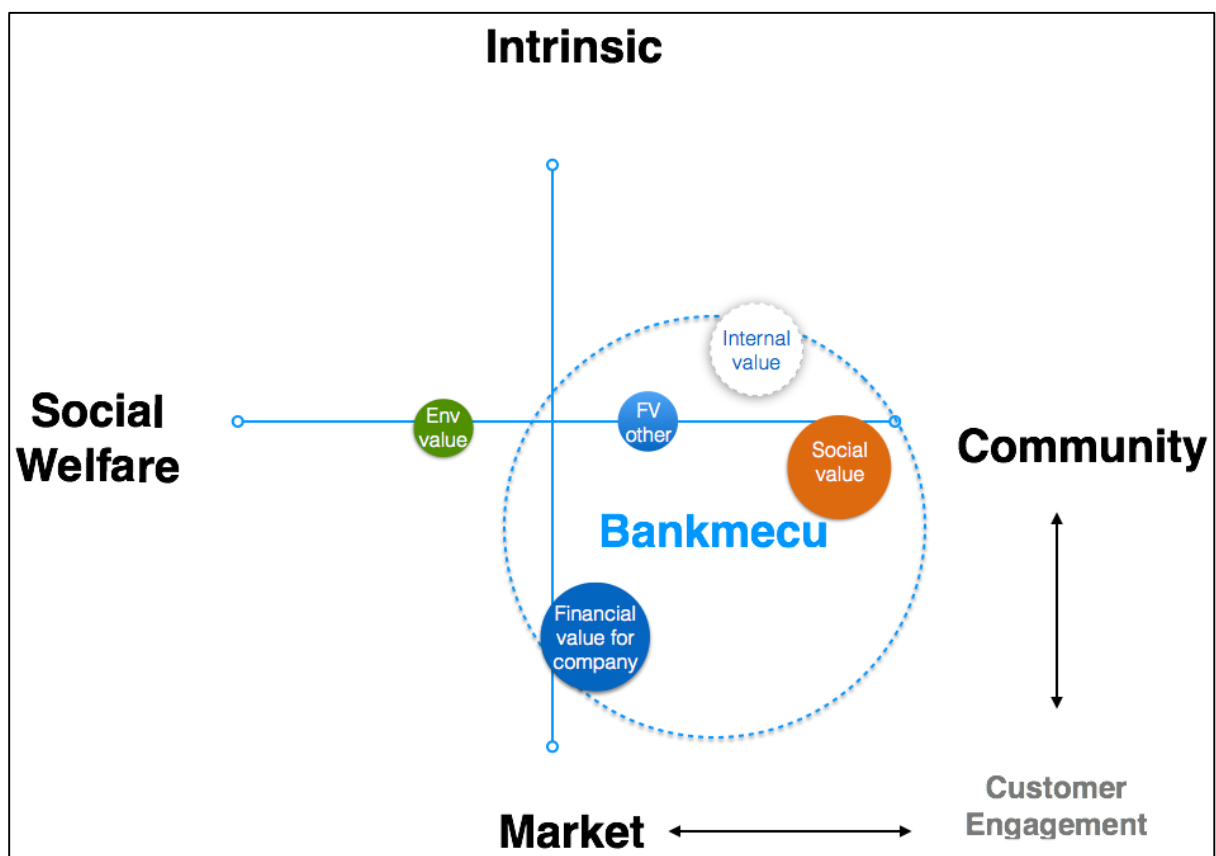
In figure 8.2, I plotted Bankmecu on my conceptual model (fig. 8.1), to show that the data reveal the organization to be oriented predominantly between community and market logics with the largest value footprints determined by financial value for the company, followed by social value.

My model suggests that Bankmecu is interpreting financial value for the company as profits, most associated with market logic (fig.8.2). Social value is being interpreted as relationships, oriented toward community value. Environmental value is influenced by social welfare logic, meaning the bank sees this as ecological health. Financial value for others, which I analysed and plotted separately, is seen as resilience through a community lens. Internal value straddles intrinsic and community value, meaning the participants

expressed their individual values reflecting those two logics, often expressed as either morality or helping those within their community.

Additionally, in the bottom right corner, I've plotted an example outcome at the intersection of market and community value, one that is highly relevant for Bankmecu: customer engagement.

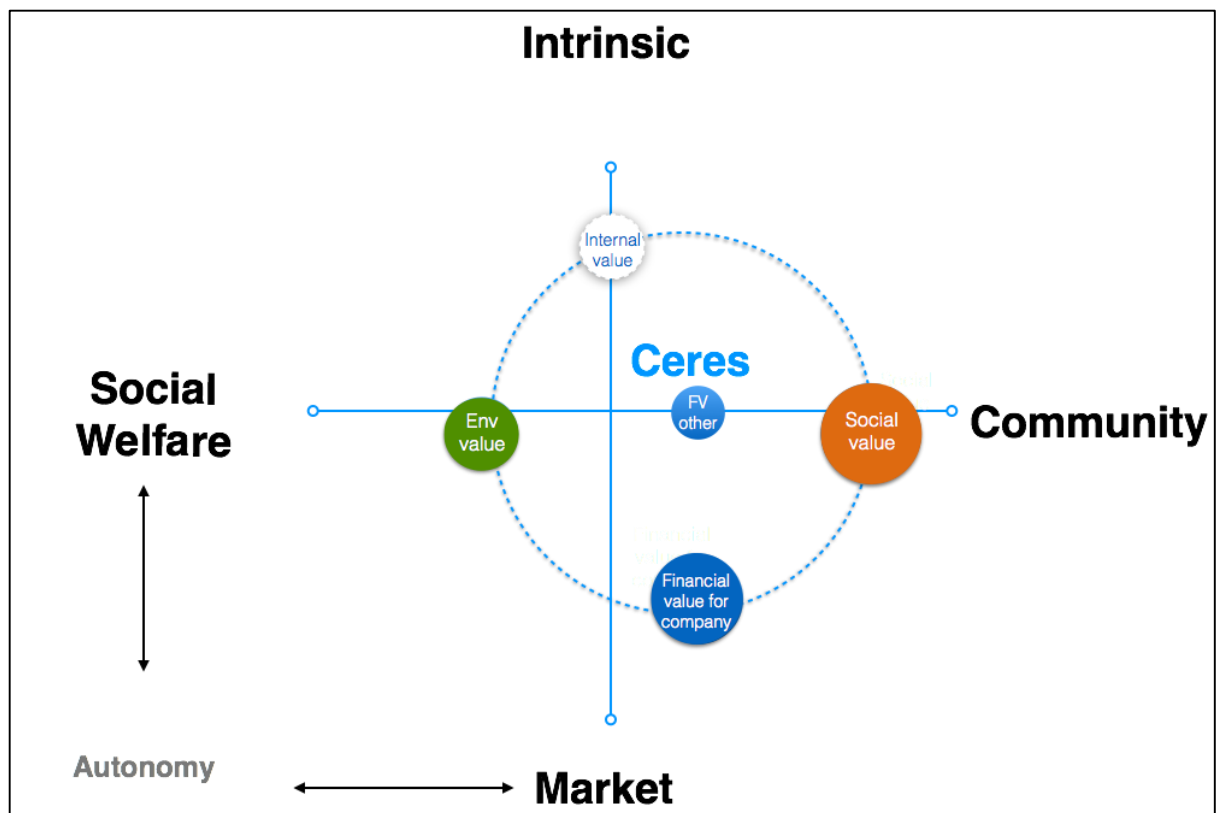
Figure 8.2 Bankmecu's 'value footprint'



8.3.2 CERES

In figure 8.3, I mapped CERES to my model. CERES' aggregate value footprint straddles all four logics, fairly evenly, with a slight bias toward community logic. Their largest component value was social value, which was interpreted as relationships according to the community logic lens. This was followed by financial value for the company, which sat between market and community value, which can be interpreted as the organization perceiving value as both profits as well as community economic resilience. Environmental value was described most often in terms of ecological health. Internal value was perceived through intrinsic logic, notably as a sense of morality or the right thing to do. And finally, financial value for others was seen as community resilience. As a representative outcome, I have plotted 'autonomy' as CERES participants stressed the importance of this outcome. Financial autonomy fell into the social welfare-market quadrant, resulting from those two dominant logics.

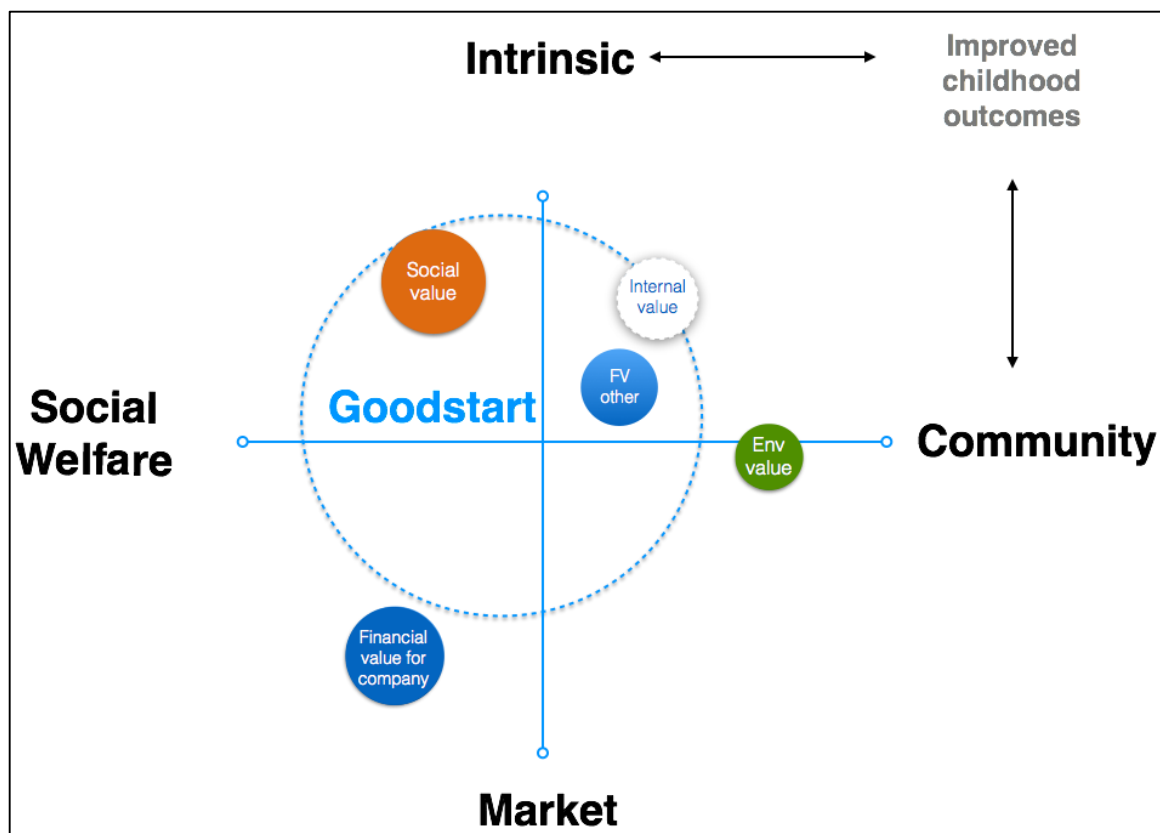
Figure 8.3 CERES' 'value footprint'



8.3.3 Goodstart

Goodstart's value footprint (fig. 8.4) shows the organization is dominated by social welfare and intrinsic logics. Social value has the biggest footprint, meaning Goodstart's practices were scored most often as having a social value focus. Social value is perceived predominantly through an intrinsic lens, which came about as participants talked about child-centric practices, valuing children in their own right, for being children. Social value was followed closely by financial value for the company, which was perceived as profits for the company as well as benevolence or philanthropy. Internal value was perceived through intrinsic and community logics, as a sense of morality as well as helping people in the community. Environmental value, not a large focus for the organization, was perceived almost exclusively as a sense of place. And financial value for others was seen as a mix between intrinsic and community logics, as a sense of comfort or economic resilience. The sample outcome plotted for Goodstart is 'improved childhood outcomes,' plotted between intrinsic and community logics.

Figure 8.4 Goodstart's 'value footprint'



8.3.3 NAB

NAB's dominant logics were market logic, followed by social welfare logic (fig. 8.4). To qualify my findings, because NAB is a large organization, my sample size of participants is quite small and biased toward employees and partners who work on hybrid value projects and teams within the bank, including employees from: the corporate social responsibility team, energy and resources platform, government and education banking teams, natural value strategy and environmental and shared services. I did this to ensure I was engaging with similar participants across case studies, focusing on those that were familiar with hybrid value initiatives of their organizations. If I had interviewed more participants from traditional banking, the value footprint may have looked quite different.

Figure 8.5 NAB's 'value footprint'

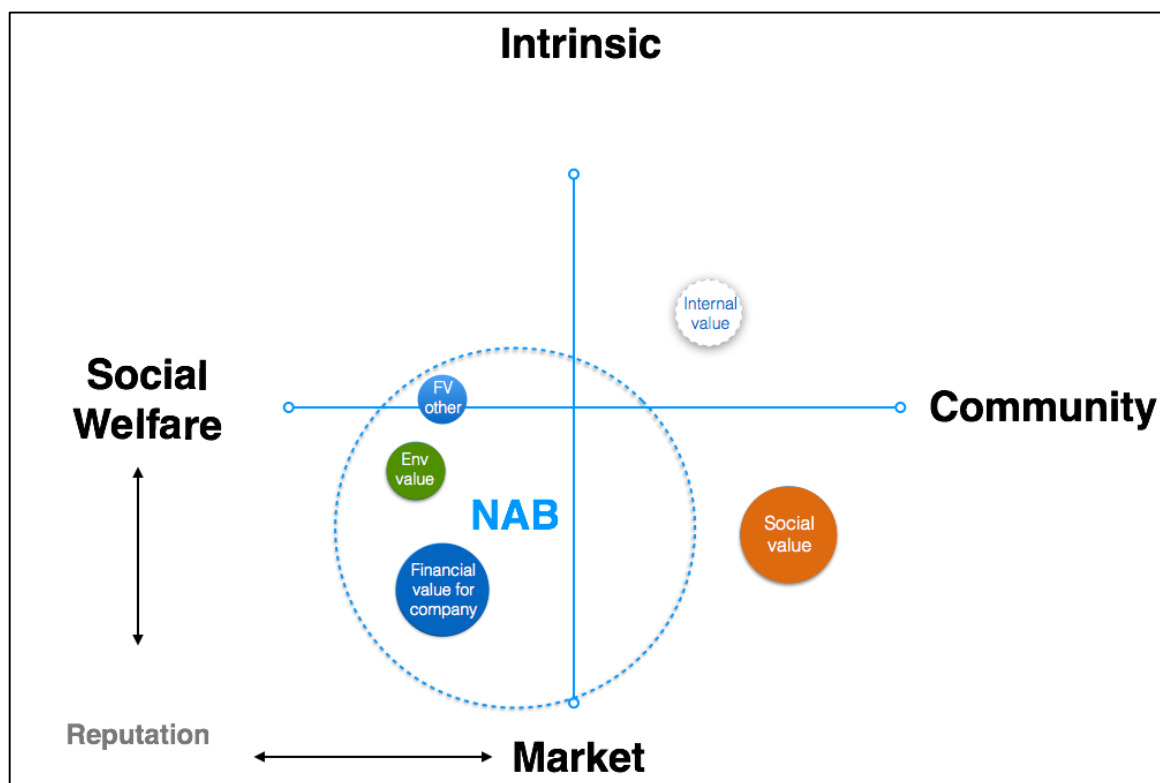
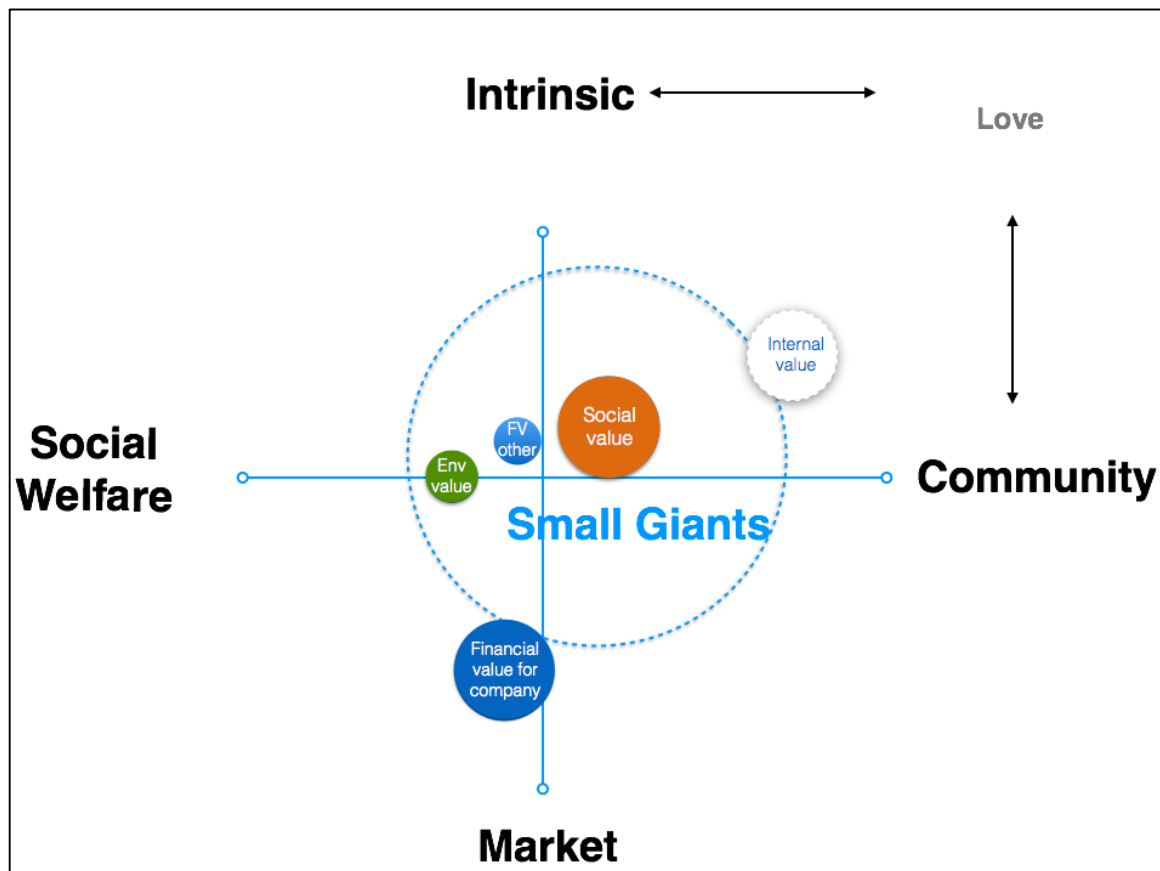


Figure 8.5 demonstrates that the most commonly cited component value was financial value for the bank itself, which was oriented between market logics (profits) and social welfare logics (philanthropy or benevolence). Because many of my participants described

shared value platforms such as community banking, indigenous finance, women's banking, microfinance, natural value, etc. financial value was often described in terms of social welfare logic in addition to market logic. The next most cited component value was social value, described as both relationships and social niches or opportunities. This was followed by internal value, seen through both intrinsic and community logics, as morality, 'the right thing to do' as well as helping those in the community. Environmental value was perceived as ecological health, or as a need to be addressed as well as resources for the firm. And financial value for others was perceived through a social welfare lens or as philanthropy and benevolence. Participants often described that the bank was seeking reputational benefits, and as such, 'reputation' was plotted as a sample outcome between social welfare and market logics.

8.3.4 Small Giants

Small Giants demonstrated an inclination toward community and intrinsic logics (fig. 8.6). Social value was the largest value footprint, described most often as relationships and value for people as people or a combination of community and intrinsic logics. The next most cited value was financial value for the company, seen as profits (market logic) and to some degree philanthropy or benevolence (social welfare). Internal value was quite significant, and was oriented between community and intrinsic logics, demonstrating a desire to help those within their community and to uphold a sense of morality or do the right thing. Environmental value was perceived through a social welfare lens as ecological health, and financial value for others was seen as a combination of intrinsic and social welfare logics, as comfort and/or philanthropy. The outcome selected to represent Small Giant's aspirations was described as 'love,' an outcome that reflects participant descriptions of a loving and interpersonal culture.

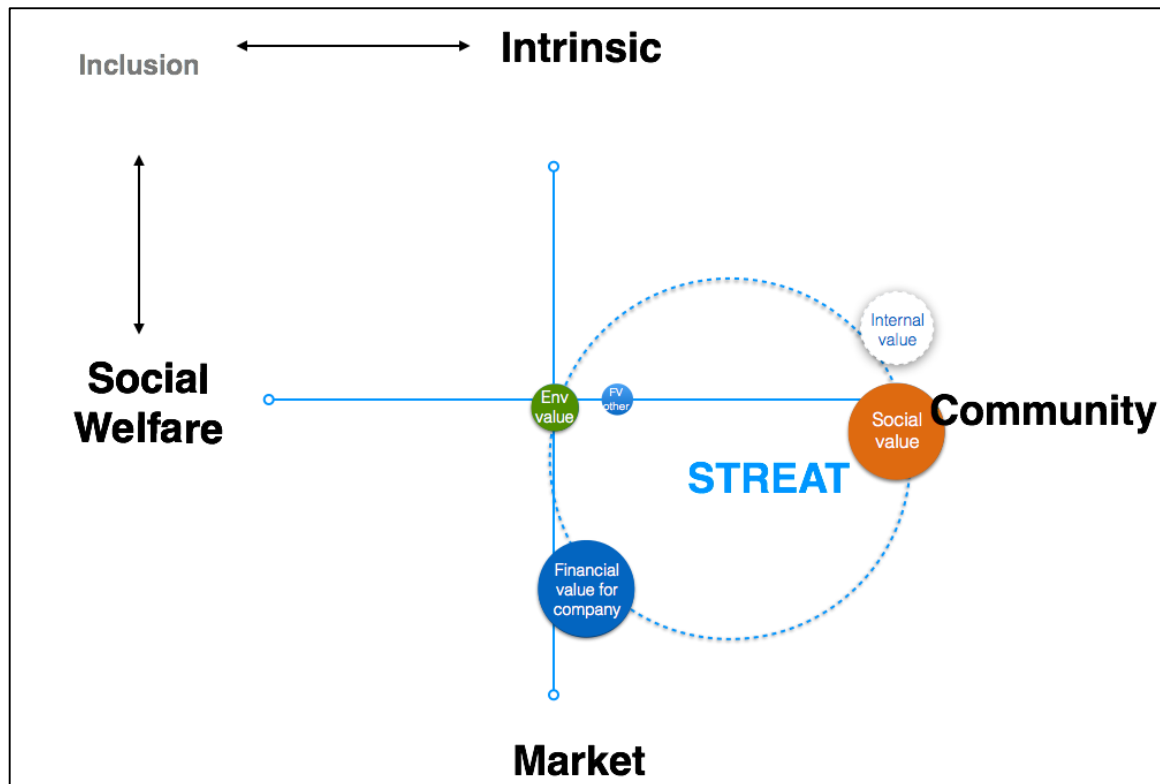
Figure 8.6 Small Giants' 'value footprint'

8.3.5 STREAT

STREAT is heavily influenced by community logic, followed by market logic (fig. 8.7). Its largest value footprints included social value, perceived as relationships, and financial value for the organization, perceived as profits or surpluses. Internal value was also highly aligned with community logic, with individuals describing their desires to help those within their communities. Environmental value was situated squarely between all four logics and could be seen as nature, place, resources, or ecological health; although it was rarely cited in the practices described by participants, yielding a relatively small area. Even less commonly cited in the practices described by participants was financial value for others. This is represented by the small blue circle, plotted on the community logic axis, representing that financial value for others was perceived as

economic resilience. Finally, an outcome that participants frequently described was plotted between intrinsic and social welfare logics, and described as ‘inclusion’.

Fig. 8.7 STREAT’s ‘value footprint’



While the outcome of social inclusion is depicted between the logics of intrinsic and social welfare, this outcome resulted from the intersection of social welfare and community logics, which in my model do not intersect (see Table 8.2), whereas the most dominant intersecting logics are represented by intrinsic and social welfare logics. This highlights a couple of issues. The first is that this model – while able to illustrate value and logic plurality, linking practices to outcomes – does not allow me to illustrate the nuanced relationships amongst logics, as I previously mentioned. The second is that STREAT’s value footprint expresses an orientation toward market and community logics, demonstrating that the majority of the practices described by participants were drawing on community and market logics, whereas a central objective of social inclusion draws upon both a community and social welfare logic. This may imply that STREAT is spending more time implementing practices that lead to outcomes not entirely aligned

with their primary mission; or this may imply that the outcomes STREAT is able to achieve by drawing heavily on market and community logics is likely enabling the organization to achieve other types of outcomes, (see ‘enabling value,’ s.5.1.5).

8.3.6 Cross-case summary

In figure 8.8, I’ve plotted all of my case studies together by aggregating all value scores to see which logics were dominant.

Two of my six case studies fell squarely in the quadrant between market and community logics: Bankmecu (s.8.3.1) and STREAT (s.8.3.6). These two cases appear to draw equivalently between these two dominant logics, seeking organizational financial returns (i.e. profits or surpluses) as well as community outcomes or value for groups such as employees, customers, beneficiaries and partners. CERES (s.8.3.2) had a slight market orientation, but strongly expressed dominant community logic, demonstrating that it creates value with the primary lens of seeking value for its stakeholders.

Small Giants (s.8.3.5) had an aggregate orientation toward community logic, with a slight preference of intrinsic over market logic: value is seen as predominantly being assessed from those they touch—their employees, customers, partners, suppliers, etc. However, it is also influenced by individual values, a sense of morality and attributing inherent worth. Goodstart (s.8.3.3) was inclined toward intrinsic logic with community logic being the next most dominant. The importance of valuing children for children’s sake comes through quite strongly, as Goodstart frames value primarily as a way to support Australia’s children, followed closely by a desire to support its communities, including: vulnerable populations, families, and employees.

Finally, NAB (s.8.3.4) appears to be almost an outlier from the other five cases, in that its aggregate scores place it almost exclusively in alignment with market logic, having only a much less dominant influence from social welfare logic. These results suggest that NAB is highly focused on creating profits for the organization, interpreting the different

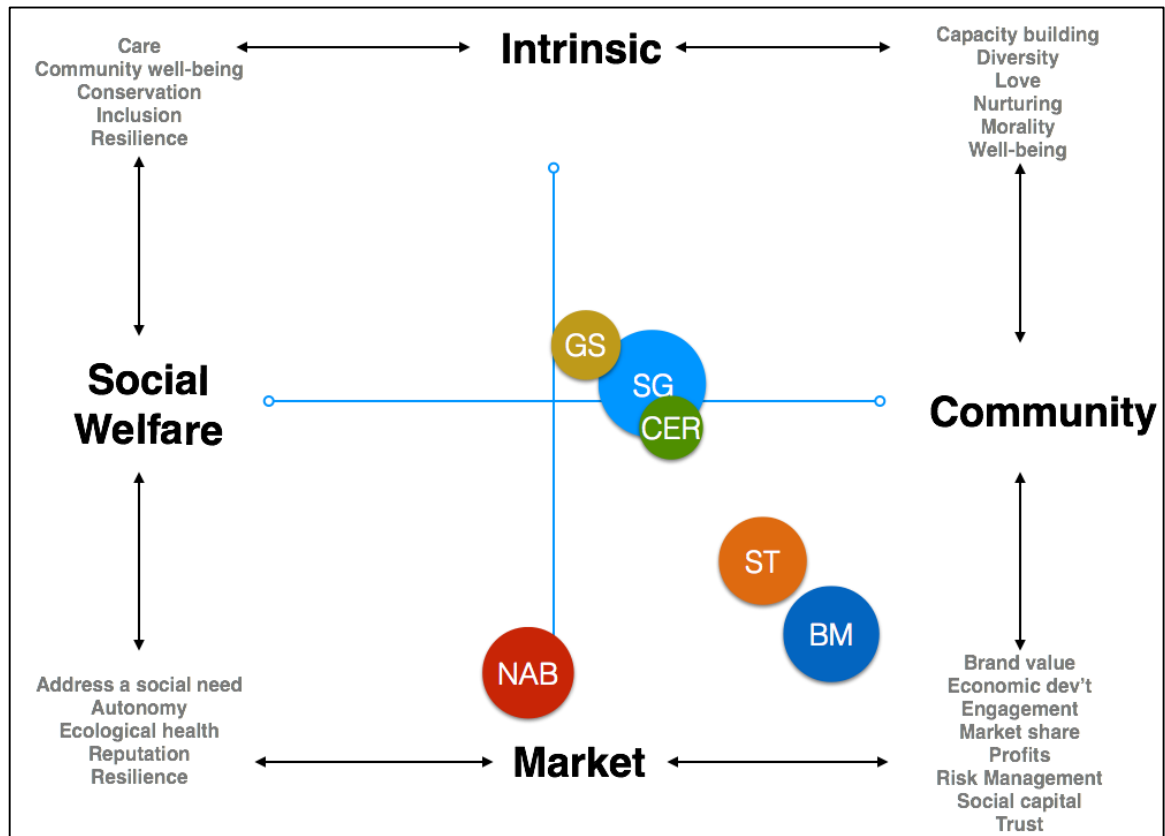
types of value most often through a market logic lens, followed distantly by perceiving value creation as an opportunity to address a social need. This is not surprising considering it is the only publicly listed company in my sample set.

The size of the circles related to each case relates to the total scores or aggregate number of codes assigned to each case, based on the number of practices that participants revealed. For example, Goodstart represented the smallest circle (fig.8.8), where participants revealed the least number of practices, sharing 19 practices they felt created hybrid value. In contrast, the largest circle was derived from 50 practices shared by Small Giants' participants (fig. 8.8).

Figure 8.8 also plots the most common outcomes (s.8.2) in their respective logic quadrants, depicting the outcomes that result from the intersection of the two most dominant logics.

My conceptual model has demonstrated how institutional logics can reveal meaning about the way in which organizations interpret and define hybrid value. My model overlays the component types of value—internal, environmental, social and financial—with the four institutional logics observed from my cases: intrinsic, community, market, and social welfare. Each of my six case studies expressed orientations that show how they are defining value as a hybrid of different types of component value, intended for different beneficiary groups, according to four different logics.

Figure 8.8 is derived from the practices described by participants (Chapter 7) and aggregate coding scores attributed to these practices (s.7.2, Table 7.6). The next chapter (Chapter 9) continues to build upon this model (fig.8.1) to discuss managerial implications, describing how organizations can move from one quadrant to another and how organizational practices (Chapter 7) lead to outcomes (s.8.2).

Figure 8.8 Cross-case comparison logic diagram

Chapter 9 Managerial Implications

9.1 Introduction

While chapter 8 discussed the theoretical contributions of the research, this chapter discusses the managerial implications of my research findings and analysis (Chapter 5-8). It should be noted that I have written separate industry reports to managers of each case study to communicate findings and results, tailored to a managerial audience.

In section 9.2, I include a flow chart diagram (fig.9.1) to help managers navigate the findings of this thesis, should they choose to do so. This framework may help managers benchmark their progress in conceptualizing, implementing, or assessing their value creation strategies and identify the corresponding tools that may assist them in these various phases. In section 9.3, I illustrate how managers can use the conceptual framework I developed in chapter 8 to identify organizational practices (Chapter 7) that lead to specific hybrid value to outcomes. I map the organizational practices from each case study to tailored hybrid value outcomes, demonstrating both the practices that lead to these outcomes as well as the practices they are not undertaking that were highlighted by other case studies that also lead to the same outcomes. This provides a template of best practices that lead to hybrid value outcomes for managers to consider. In section 9.4, I discuss how managers can use a subjective assessment tool, piloted in the survey instrument of this study (s.3.2.3), to engage stakeholders and gather stakeholder perceptions of organizational value creation. In section 9.5, I summarize the practical implications of this study.

9.2 Flow Chart

This thesis has produced four tools that may assist managers who would like their organizations to pursue hybrid value: (1) a value taxonomy; (2) subjective assessment tool; (3) conceptual model; and (4) a practice database. Figure 9.1 poses five questions to

managers to indicate where the findings of this thesis may assist them in creating hybrid value.

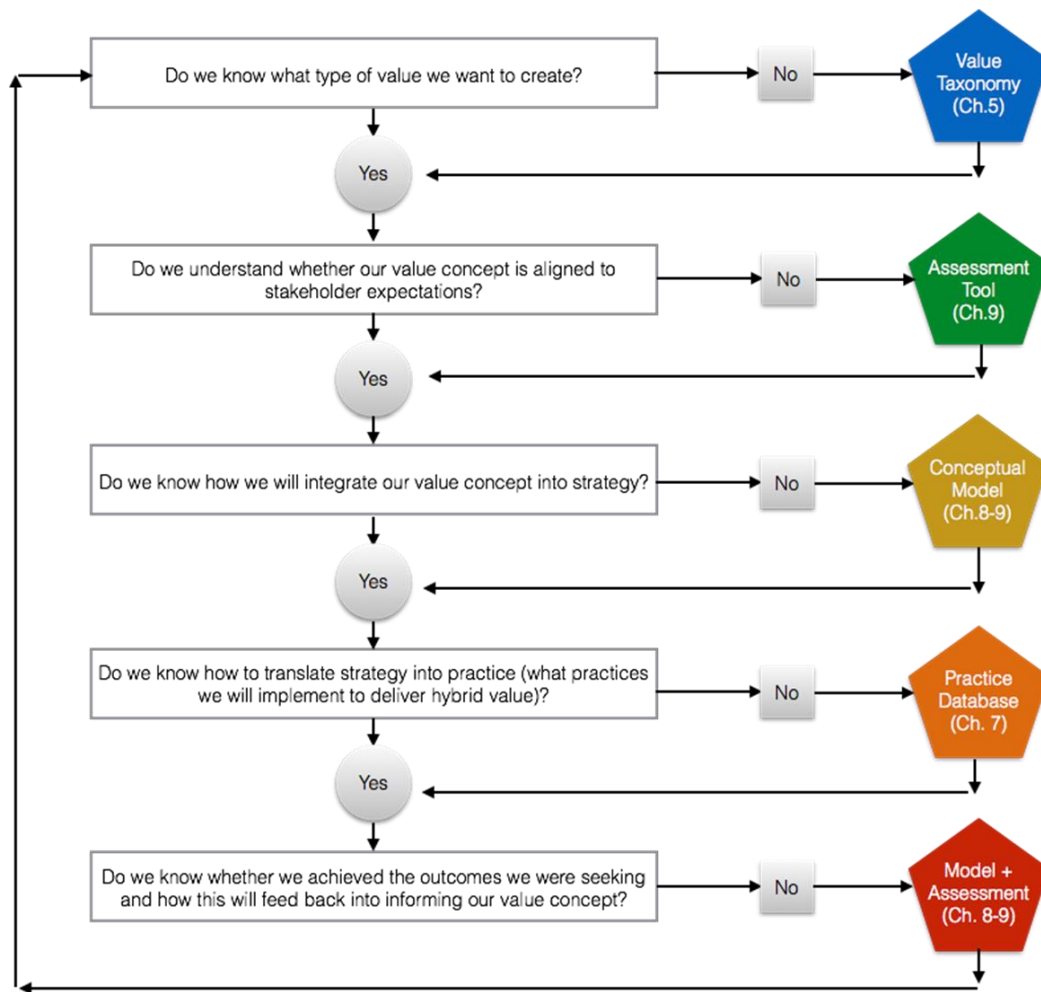


Figure 9.1 Manager's flow chart to navigate this thesis

The first question (fig. 9.1) asks whether the manager knows what type of value the organization is seeking to create. As I uncovered in chapter 5, there are nuanced approaches to creating hybrid value that may inform how an organization approaches its value creation strategy. For example, an organization that is seeking to maximize financial value may pursue social market niches in order to enable or facilitate greater financial value for the firm, whereby also creating social value that can be captured either internally and/or externalized from the organization. This shared value (Porter and

Kramer, 2011) (s.5.1.2) approach is illustrated by NAB investing in multiple strategies, including: community finance, natural value, and resource efficiency. This enables NAB to create social and/or environmental value while also driving more financial value for the bank through cost reductions, employee engagement, reputational benefits, and additional revenue streams. Understanding these nuances in the way in which an organization hopes to define value can inform how managers both develop and evaluate value creation strategies, implementation level practices, and outcomes. The hybrid value taxonomy and typology listed in chapter 5 provide distinct tools for managers to understand the nuances and differences between types of hybrid value and strategies pursuing hybrid value.

The second question (fig. 9.1) asks whether the organizational value concept is aligned to stakeholder expectations. In section 9.5, I present a subjective assessment tool that was piloted in this research project during survey administration. This tool allows managers to engage stakeholders by asking them to subjectively score, rank, or assess the type of value they both expect and perceive the organization to be creating. Collecting stakeholder views can help organizations assess whether stakeholder expectations and/or current perceptions align with the value concept (Chapter 5) and corresponding strategy of the organization.

The third question in the flowchart (fig. 9.1) refers to how organizations can align their value concepts to strategy. For organizations at the stage of developing, refining and understanding their strategy to create hybrid value, the conceptual model presented in chapter 8 may be a useful tool to support this process. The model can be used to clearly specify organizational hybrid outcomes an organization is seeking, and how those outcomes may be achieved through implementation. This model can help clarify what institutional logics may be at play, guiding how an organization may be framing or interpreting value, which may in turn inform organizational strategy.

The fourth question (fig. 9.1) points managers who are looking to translate strategy into practice toward the best practice database (Ch.7; Appendix 8) that lists examples of

the 200 observed practices that were described by case study participants as ways in which their organizations were creating hybrid value. This list of hybrid value practices may serve as a point of reference to see what other organizations are doing and may stimulate ideas on whether and how these practices might be able to be adapted and implemented. Additionally, the conceptual model presented in chapter 8 and further developed in section 9.4 can be used to link practices to outcomes. Using the conceptual model to assess appropriate implementation level strategy and practices (s.9.4) may prove useful for managers who are attempting to bridge value concept and aspiration to practice.

The fifth and final question (fig. 9.1) is about understanding what value has been created and what outcomes have been achieved. This thesis has generated two tools that may prove useful in the process of assessment. The first is the conceptual model that can be used to map ‘value footprints,’ practices and outcomes (Chapter 8; s.9.3). The second tool is the subjective assessment tool (s.9.4) that could be deployed after implementation to assess whether, what type and how much value organizations are being perceived to create. These two tools may support managers in assessing the outcomes and value that their organizations have created and inform whether and how the value concept, strategy, and implementation level practices may need to be adjusted.

9.3 Using the conceptual model to link practices to outcomes

In chapter 8, I developed my conceptual model to tie together components of hybrid value, institutional logics and outcomes. In this section, I build upon that model and show how managers could further use this model to understand what organizational practices lead to outcomes. This may assist managers to: (1) identify possible outcomes; (2) understand how drawing upon different interpretations of value (institutional logics) may lead to outcomes; (3) assess which organizational practices lead to articulated outcomes; and (4) learn from other organizations to understand possible alternative practices and alternative outcomes to those currently being implemented and pursued. To demonstrate how managers could use the conceptual model (Chapter 8) in these ways, I have mapped

Chapter 9 Managerial Implications

each of my six case studies to provide examples of how the model could prove useful and practical. I have provided table 9.1 (a copy of Table 7.3, s.7.1) here to help readers decipher the practice codes in the diagrams that will be provided in sections 9.4.1-9.4.6, as I map each of my case studies.

Table 9.1 Hybrid value practice categories and codes

Category	Code	Title Practice	BM	CER	GS	NAB	SG	ST	Total
CULTURE	C1	Relationships					x		1
	C2	Employee Benefits	x				x		3
	C3	Values	x						6
	C4	Intuitive and entrepreneurial					x		2
	C5	Staff relationships	x				x	x	4
	C6	Visionary					x		3
	C7	Workplace					x		2
	C8	Intimacy					x	x	2
	C9	Multi-cultural: Cultural sensitivity and diversity			x				1
	C10	Knowledge sharing and learning			x	x			3
DEPARTMENTS	D1	Communications	x	x		x		x	12
	D2	Finance	x	x	x	x			9
	D3	HR	x	x	x	x	x	x	23
	D4	Operations	x		x	x	x	x	8
	D5	Sales and Marketing	x						2
	D6	Strategy	x	x	x	x	x		16
	D7	Supply chain		x	x	x		x	5
MECHANISMS	M1	Measurement	x	x	x	x	x	x	13
	M2	Value swapping	x			x	x	x	9
PEOPLE and RELATIONSHIPS	P1	Leadership				x		x	2
	P2	Commitment				x			1
	R1	Community	x	x			x	x	9
	R2	Customers	x	x	x			x	6
	R3	Employees					x		1
	R4	Investors			x			x	2
	R5	Partners	x	x	x	x	x	x	17
	R6	Beneficiaries		x				x	2
	R7	Competitors			x				1
RULES	RU1	Mission or purpose	x	x		x			3
	RU2	Time horizon	x				x		2
	RU3	Operational procedures		x			x		2
	RU4	Policies		x					1
	RU5	Stakeholder engagement		x					1
	RU6	Tacit rules			x				1
	RU7	Beneficiary-driven			x		x	x	3
	RU8	Decisions				x	x	x	8
	RU9	Incentives				x			2
	RU10	Thresholds					x		1
STRUCTURE	S1	Business model	x	x			x	x	6
	S2	Ownership model	x						2
	S3	Governance and legal				x		x	2
	S4	Systems and processes				x			1
									200

9.3.1 Bankmecu

In figure 9.2, I plot my data from Bankmecu to demonstrate how organizational practices lead to four example outcomes, expressed by participants as those that the bank is seeking in its pursuit of hybrid value: community well-being, diversity, customer engagement, and reputational benefits. Customer engagement results from practices that frame value through community and market perspectives (logics), describing the importance of acknowledging the organization's relationship to its community and maximizing financial profits for distribution. The resulting outcome, customer engagement, is depicted in figure 9.2 as the bottom right quadrant in blue text.

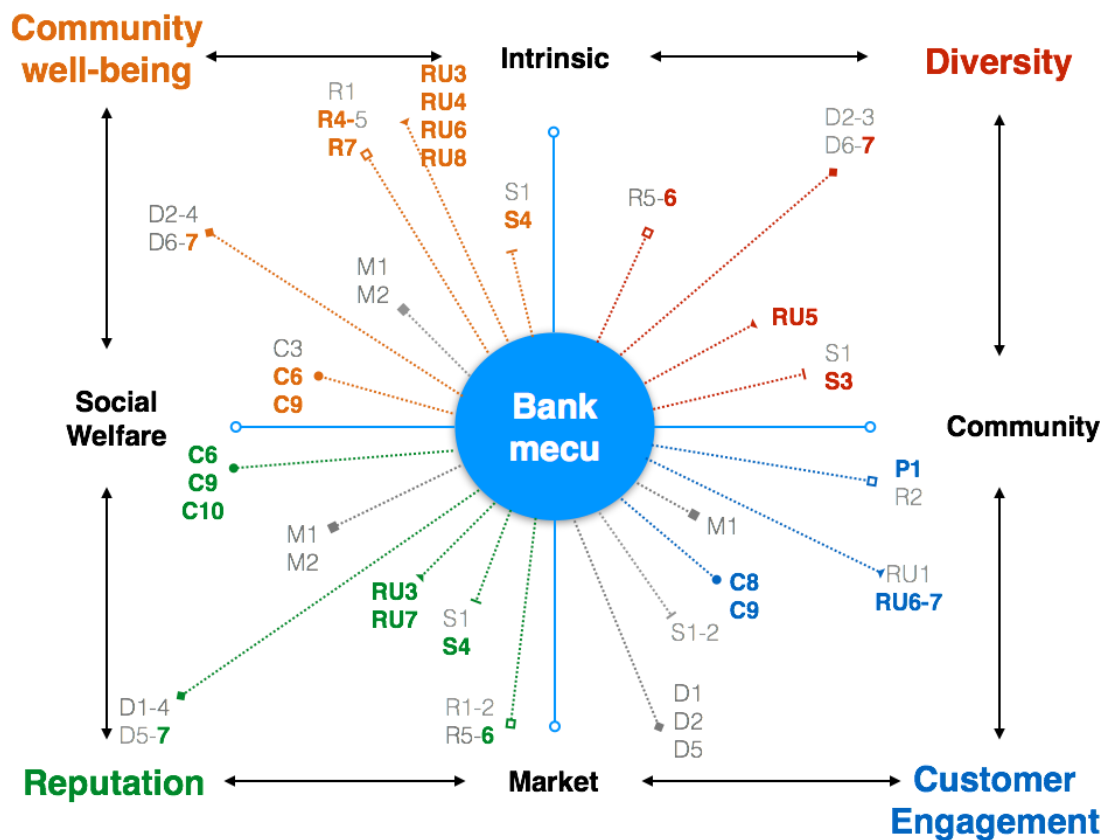


Figure 9.2 Bankmecu's practice to outcome model

In that bottom right quadrant, there are 13 categories of practices that were coded as leading to customer engagement: P1, R2, RU1, RU6, RU7, M1, C8, C9, S1, S2, D1, D2,

and D5 (see Table 9.1). Those listed in grey text represent the types of practices that Bankmecu participants noted the bank is currently undertaking (R2, RU1, M1, S1, S2, D1, D2, and D5). Those noted in blue bolded text represent the types of practices that other case studies described, practices that Bankmecu participants did not cite. However, this does not mean that the bank is not already employing practices in these areas. For example, P1 (leadership), noted in bold text, suggests that Bankmecu participants did not cite how leadership practices are leading to hybrid outcomes. The bank may very well be instituting practices in this area that were not uncovered in my data. However, one implication from this model is that managers may learn from other case studies to see whether these practices (in bold text) may be applicable or adaptable to Bankmecu in order to result in increased customer engagement. Even in the areas where they are already implementing practices that lead to customer engagement, they may reflect on what they are doing, and whether it makes sense to augment their current efforts in the practices they are undertaking.

Equivalently, in the lower left quadrant, in green text, reputational benefits were coded from the intersection of predominantly market and social welfare logics with 20 types of practices leading to these outcomes. Those in grey (not bolded) represent practices cited by Bankmecu participants and those in bold text represent those not cited by Bankmecu but by other case studies that also yield reputational benefits. In the upper left quadrant, community well-being is shown at the intersection of dominant social welfare and intrinsic logics, and in the upper right quadrant, the outcome of diversity is listed at the intersection of intrinsic and community logics.

Appendix 8 provides more descriptive detail about each title practice in Table 9.1, and s.7.1 elaborates on some of these practices to illustrate how implementing them leads to hybrid value outcomes.

9.3.2 CERES

In figure 9.3, I have plotted CERES on my conceptual model to illustrate how practices may lead to the four example outcomes of: conservation, well-being, community engagement, and autonomy.

In the top left quadrant, the outcome ‘conservation,’ arises from practices that demonstrated social welfare and intrinsic logics. Three practices were observed to result in conservation, one—R5 (Partners)—in grey (not bolded) text that shows CERES participants cited their organization undertaking practices in this area, and two—M2 (Value swapping) and D4 (Operations)—highlighted in bold text to demonstrate that CERES participants did not cite practices in these areas; however other case studies did cite these types of practices that could lead to conservation as an outcome. For example, Bankmecu practices value swapping through its conservation land bank by swapping financial value for environmental value. While this exact type of practice may or may not be relevant or adaptable to CERES, the practices highlighted by other case studies may be useful for guiding other organizations that want to pursue shared outcomes, for example, conservation.

In the top right corner, CERES participants referred to well-being as an organizational outcome, referring to the well-being of employees, the environment and community members. This outcome was found to result predominantly from practices that draw on intrinsic and community logics, practices such as: C2, D2, D3, D6, M2, R2, RU7, and S1. CERES participants cited that the organization is currently implementing practices in six of these eight practice areas, represented again by grey (not bolded) text, whereas the two it did not cite are highlighted in bold text. In a similar fashion, community engagement is coded at community and market logics in the lower right quadrant, and autonomy is coded at social welfare and market logics in the lower left quadrant.

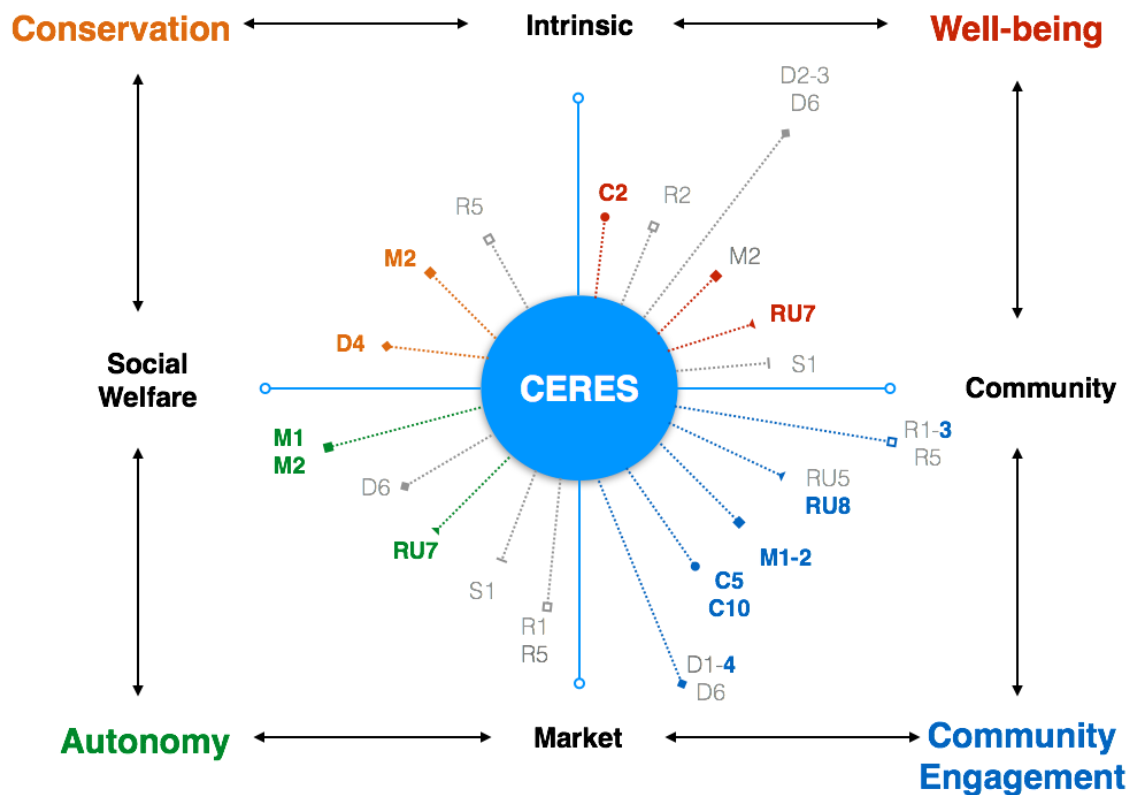


Figure 9.3 CERES' practice to outcome model

The implications of this analysis show that if CERES wishes to increase the outcomes related to any one of these four areas of conservation, well-being, community engagement, or financial autonomy, it may want to analyse whether and how it may want to adjust its implementation strategy to reflect practices that align to these outcomes. My data represents the practices cited by my case study participants, and may provide a starting point to help managers in thinking through implementation strategies that appropriately link to the hybrid value outcomes most relevant to their organizations.

9.3.3 Goodstart

In figure 9.4, I plot Goodstart on my conceptual model to illustrate how implementing practices can lead to the four example outcomes of: community well-being, improved childhood outcomes, brand value, and autonomy.

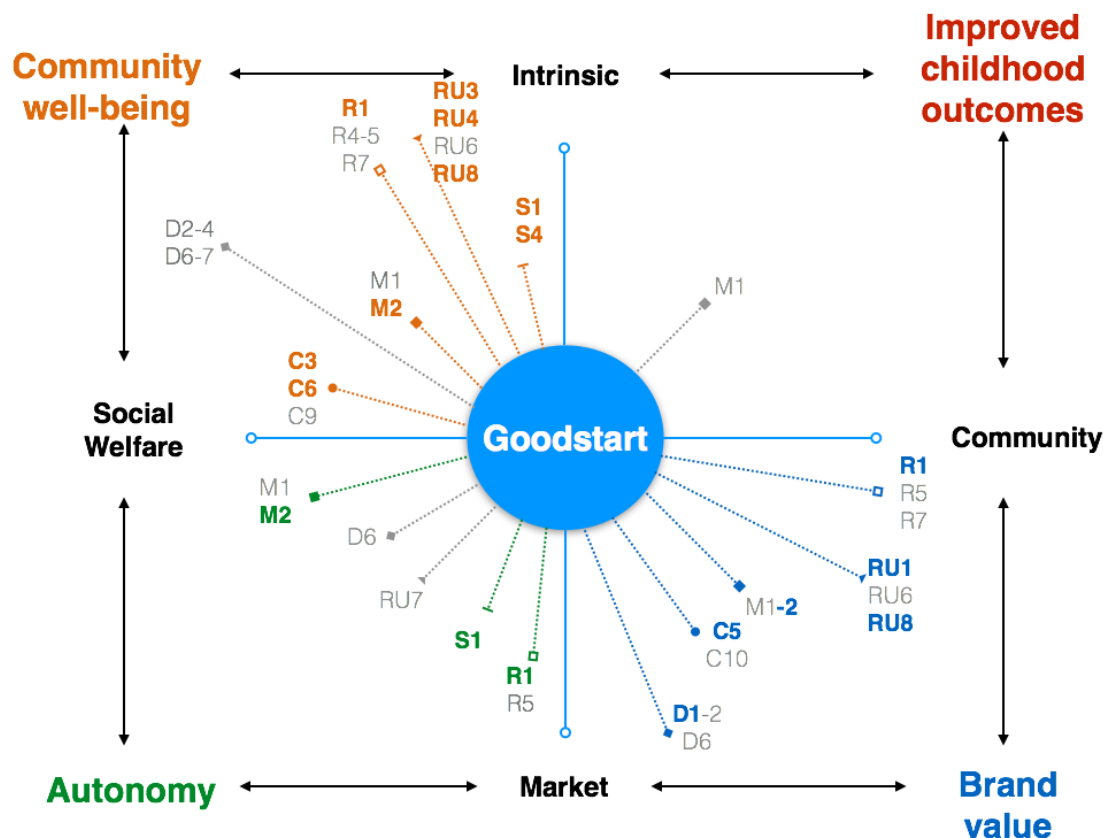


Figure 9.4 Goodstart's practice to outcome model

Community well-being is shown in bold text in the upper left quadrant, resulting from 20 types of practices that reflect predominantly social welfare and intrinsic logics. Improved childhood outcomes is listed in bold text in the upper right quadrant, at the intersection of intrinsic and community logics. Because this outcome was highly unique to Goodstart as a case study, only one practice category was coded to this outcome. Other case studies did not display practices that resulted in improved childhood outcomes. This implies that there are specific outcomes that may be unique to particular organizations, sectors, geographies, demographics, etc. In contrast, brand value, shown in bold text in the lower right quadrant at the intersection of market and community logics was an outcome that participants across all six case studies suggested as a desirable outcome and cited 13 practices resulting in this outcome. Finally, financial autonomy is positioned in

the lower left quadrant in bold text at the intersection of market and social welfare logics. Again, the practice codes listed in grey (not bolded) text reflect those that Goodstart participants cited as areas where the organizations was currently implementing practices. The practice codes listed in bold text illustrate areas where Goodstart participants did not but other case study participants did cite practices that led to each of the four outcomes listed in fig. 9.4.

9.3.4 NAB

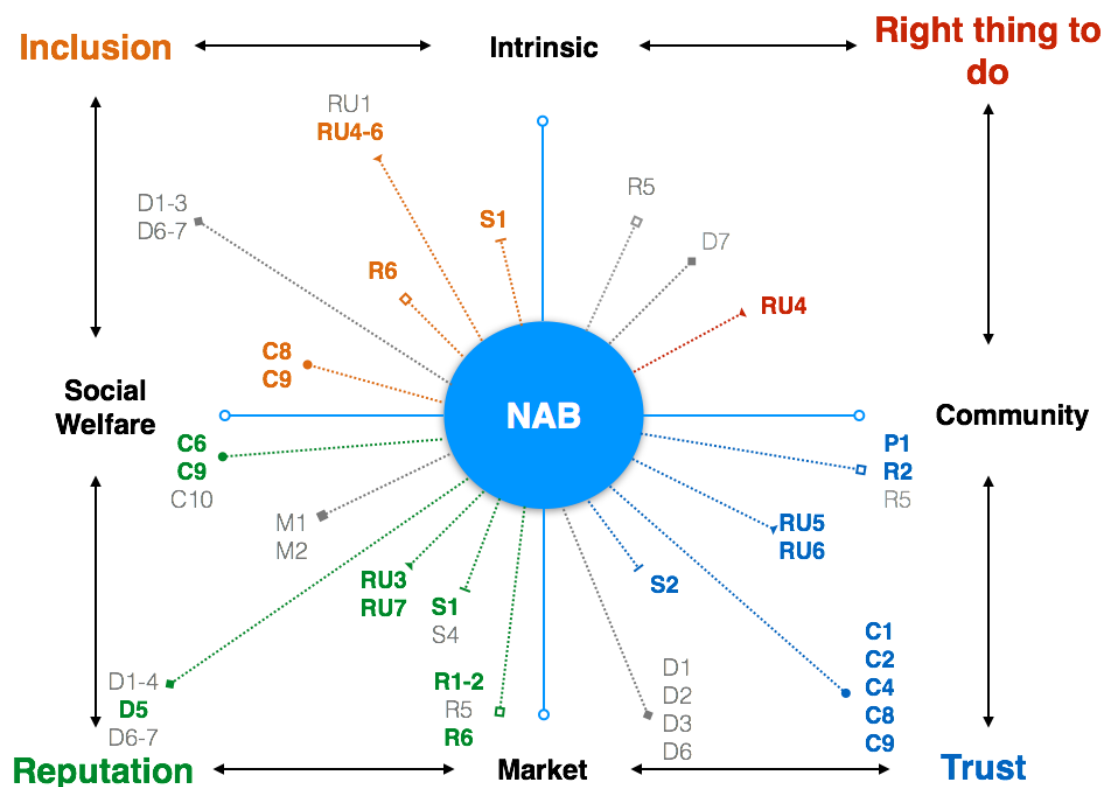


Figure 9.5 NAB's practice to outcome model

The four representative outcomes cited by NAB participants include: inclusion, the right thing to do, trust and reputational benefits (fig. 9.5). Inclusion, broadly defined by participants as an outcome relating to including marginalized populations, for example by providing banking services to the financially excluded, was observed to result from

practices that most often were coded for social welfare and intrinsic logics. ‘The right thing to do’ was reflected by a large number of NAB participants and served as a statement to convey the perception that the bank is implementing strategies that align with individual morals and values and reflect the intrinsic and community logics at play rather than a self-serving market-only view, an image the bank is attempting to overcome. Trust is another outcome participants felt was important in gaining stakeholder approval, and this outcome was observed to result from an intersection of market and community logics. Finally, participants expressed the desire for reputational benefits, resulting from market and social welfare logics that could drive market development, customer loyalty, and employee engagement.

From this figure, NAB participants can see that they cited practices in 11 of the 29 coded practice categories that result in these four outcomes (fig. 9.5). This means that there are 18 practice areas where NAB may find value in observing what other case studies have done to achieve these types of outcomes and evaluate whether introducing practices in these areas may be beneficial in helping NAB achieve its desired outcomes. NAB may already be implementing practices in some of these areas, which was not captured in my data. However, by analysing both its current practice areas and those cited by other case studies may help stimulate new managerial approaches that link implementation strategies to outcomes.

9.3.5 Small Giants

In figure 9.6 I plot Small Giants on my conceptual model to show how managers might reflect on the practices that lead to the four example outcomes of: community well-being, love, employee engagement, and ecological health.

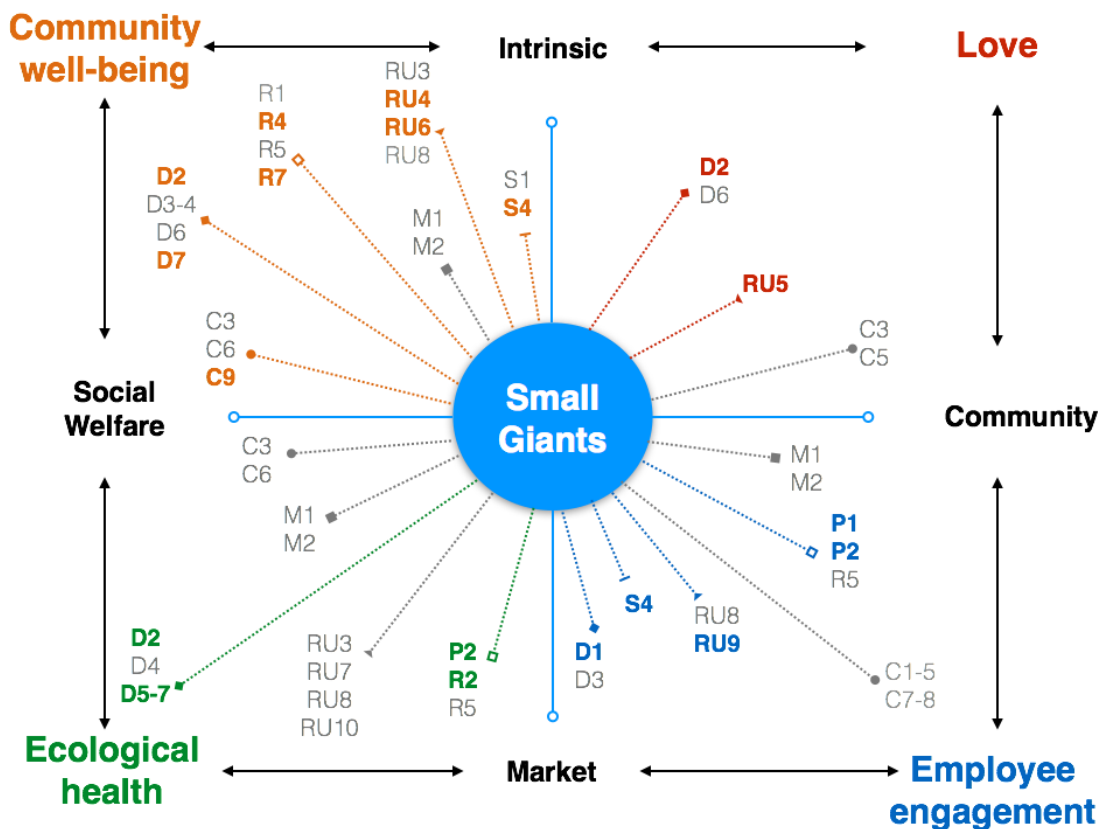


Figure 9.6 Small Giant's practice to outcome model

Another way that this model may be used by managers is to 'move' from one quadrant to another, drawing upon different logics to create different outcomes. For example, Small Giants may realize that the outcomes it is seeking are heavily concentrated in the lower right quadrant, at the intersection between market and community logics, whereas their value footprint (Chapter 8) places them closer to the upper right quadrant at the intersection of intrinsic and community logics. They may find some insight by looking at the practices and case study examples (Chapter 7) that lead to these types of outcomes and assess whether these or similar types of practices would enable them to align their practices with the outcomes they are seeking.

9.3.6 STREAT

Finally, in figure 9.7, I plot STREAT on my conceptual model to illustrate how practices link to the outcomes of: inclusion, nurturing, customer engagement, and autonomy.

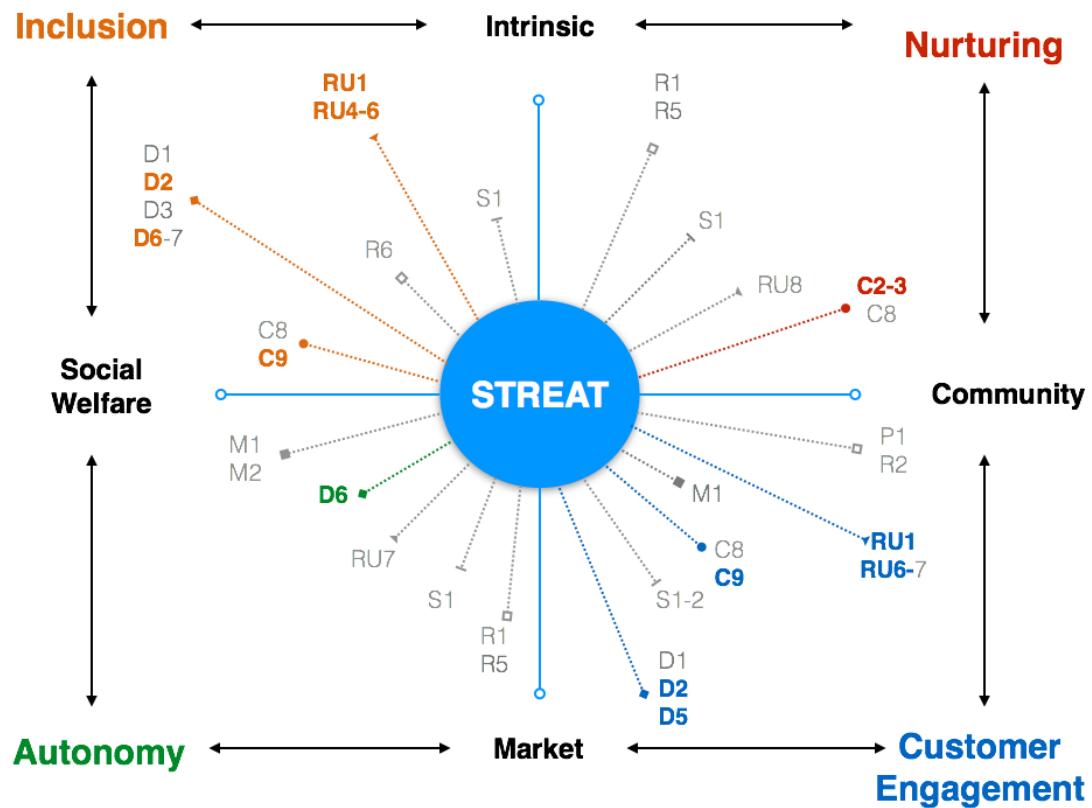


Figure 9.7 STREAT's practice to outcome model

9.3.7 Summary linking practices to outcomes

By plotting the case studies' practices that create hybrid value and example hybrid value outcomes onto my conceptual model (fig. 9.2-9.7), managers may be able to see the links between implementation and hybrid outcomes. My conceptual model may serve as both a strategic planning tool and an assessment tool (fig. 9.1, questions 3 and 5) for managers as they engage with understanding how to link organizational practices to hybrid value outcomes. Figure 9.8 synthesizes my data and overlays hybrid value components, institutional logics, hybrid value practice codes, and hybrid outcomes to illustrate how each of the model components may fit together. Figure 9.8 show that managers can use this model in a number of ways, including: to understand their interpretations of value; to develop value creation strategies; to brainstorm and analyse organizational practices at the implementation stage; or to assess the type of value and outcomes that are observed.

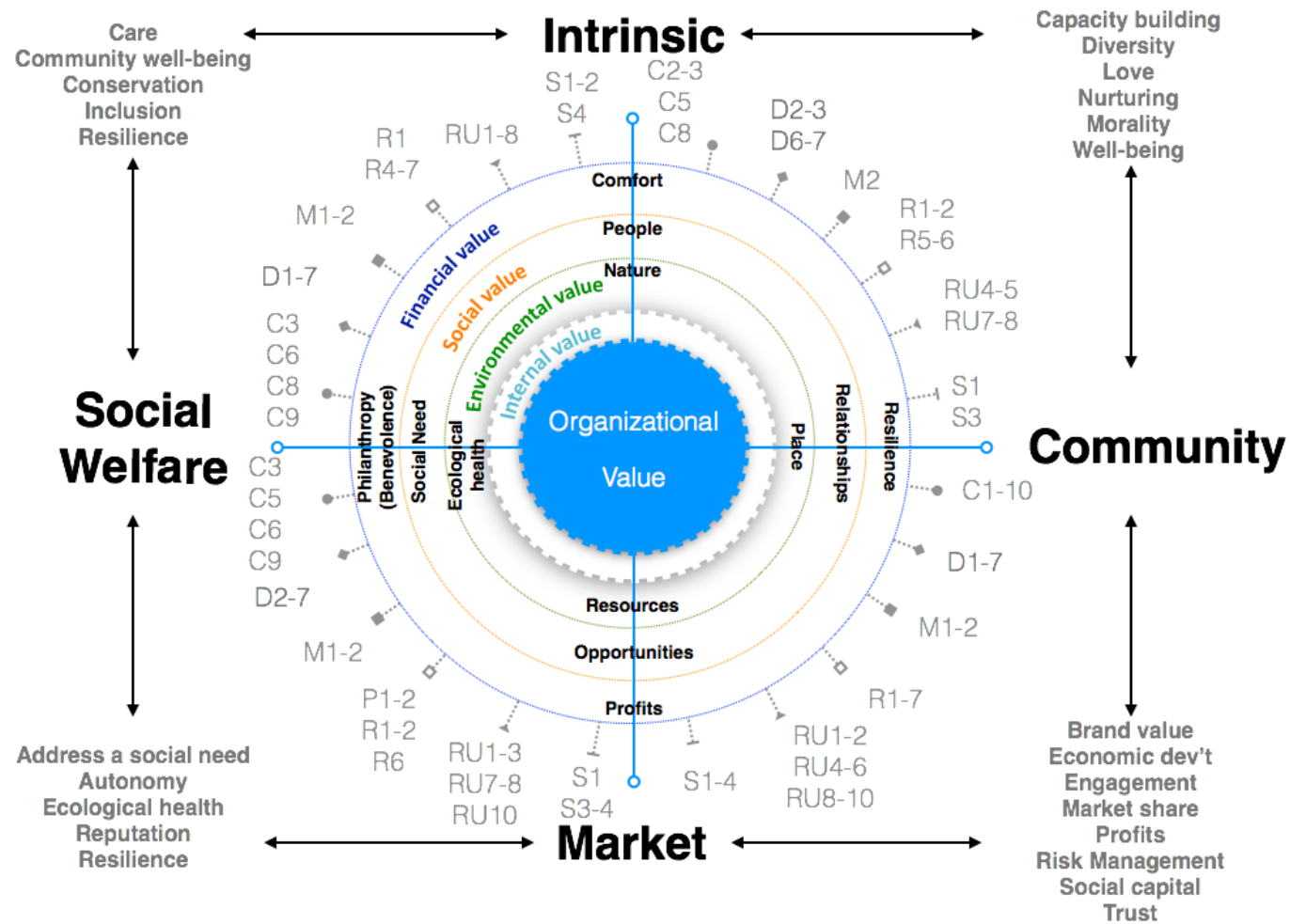


Figure 9.8 Conceptual model with empirical data linking hybrid value, institutional logics, practices, and outcome

9.4 Subjective Assessment Tool

The subjective assessment tool, piloted during survey administration in this research project (Appendix 2; s.3.2.3), is one way in which managers can engage stakeholders to gauge their perceptions on organizational hybrid value creation.

Collecting stakeholder perceptions on organizational value creation may assist managers in aligning their value creation concepts and strategies with stakeholder expectations as well as serve as an evaluation tool to measure how much perceived value was created following a project, initiative or discrete period of time.

There are many ways in which organizations can engage with stakeholders. The unique value of asking stakeholders to provide a subjective measure or assessment of organizational value lies in overcoming the challenges unique to hybrid value, specifically issues related to incommensurability (s.2.5) and the difficulties of measuring things that are considered problematic to measure.

In order to collect stakeholder attitudes on value creation, I asked participants to take the survey. As discussed in section 3.2.3, the values assigned to each score were weighted from 1-11. I provided a definition for each type of value and allowed participants to provide optional comments to refine, augment, or clarify the definitions provided. It is important to note that the types of value that can be polled can and should relate to the organization using this tool, in which case other types of value may be polled.

I asked participants to assess how important the types of value were to their organization and how much value they perceived their organizations to be creating in practice today, using the same types of value and Likert scale illustrated in Table 3.3 (s.3.2.3). I was able to take the results from these two questions along five types of value to derive subjective assessment scores for organizational ‘aspiration’ (how important it was to create value) and ‘practice’ (how much value is actually being created).

To provide an example of how this data can be visualized, I have illustrated in figure 9.9 the survey results from all six case studies, plotted along ten axes, representing ten questions that were subjectively scored, weighted, and averaged by case. These results are derived from a total of 31 survey participants, representing a 63% response rate from the 49 interview and focus group participants. The breakdown of participants by case study is: Bankmecu 2; Ceres 10; Goodstart 1; NAB 5; Small Giants 9; STREAT 4.

My survey results demonstrate that the case studies are striving to create value across each of the five value dimensions polled, and that participants clearly felt that organizations were creating less value than they hoped to create across all five value dimensions, with 'other types of value' being most closely matched between its importance (aspiration score) and the amount of value actually being created (practice score). This gap between aspiration and practice may signify that companies who hope to deliver hybrid value are struggling with tools or strategies to know how to do so (see fig. 9.1).

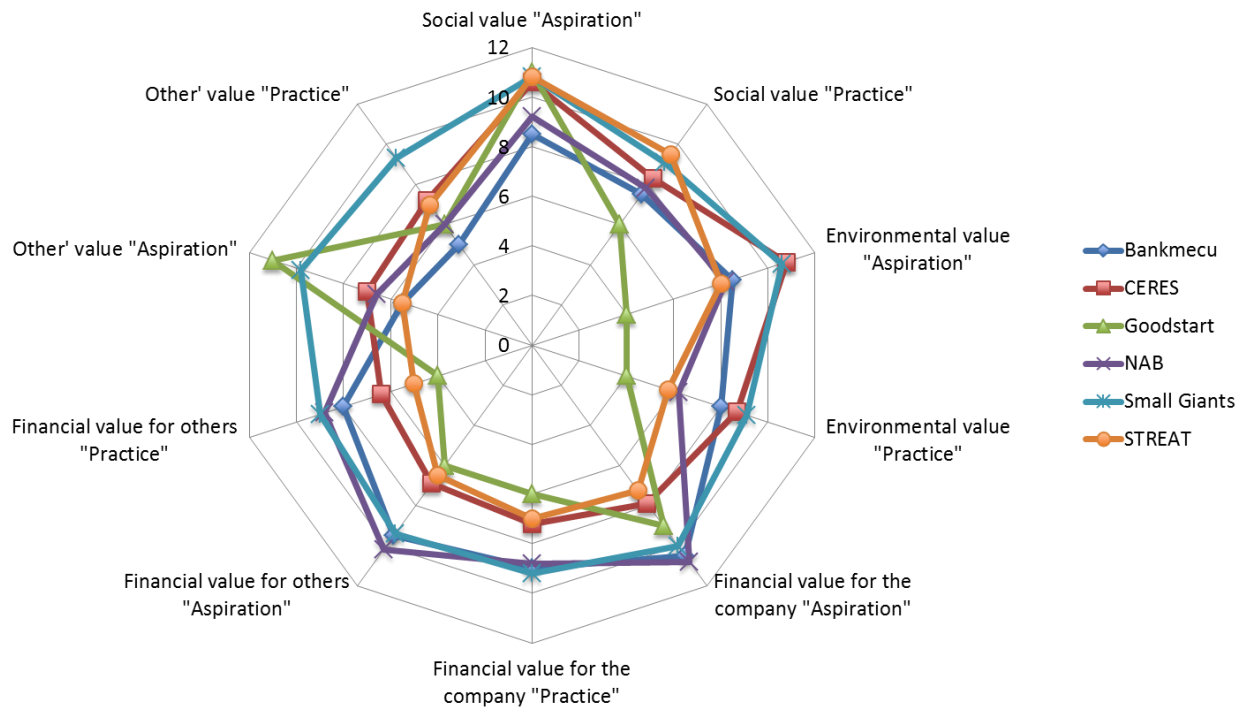


Figure 9.9 Summary of survey results indicating subjective value assessments

The other possible implication for managers who arrive at a similar finding is that companies may not be aware that their practices are not aligning with their aspirations and corresponding strategies. This subjective value assessment tool can serve as a resource to help managers understand how key stakeholder groups perceive the type of value being created in contrast with how stakeholders assess the organizational importance of each value dimension. These results could guide managers on how their organizations are being perceived and whether they need to address large perceived value gaps by stakeholder groups, helping to align strategy to practice.

The survey was conducted, in part, to understand how a subjective assessment tool could reveal the type of value that an organization aspired to create as well as the type of value it is actually creating in practice. In order to illustrate this contrast between aspirations and practice more clearly, I have plotted the aspirational scores and practice scores on top of one another, narrowing the axes to the five value dimensions for each case, creating a series of pentagon-shaped spider charts, one for each case study (fig. 9.10).

Figure 9.10 plots each of the six case studies' value aspiration scores in blue against its value practice scores in red. Participants' scores suggest that the organization closest to matching its value aspirations with its practices is Small Giants. The organization with the widest observed value gap is Goodstart. However, all of the case studies demonstrate a value gap between the perceived value aspiration of the company and the perceived value it is actually creating.

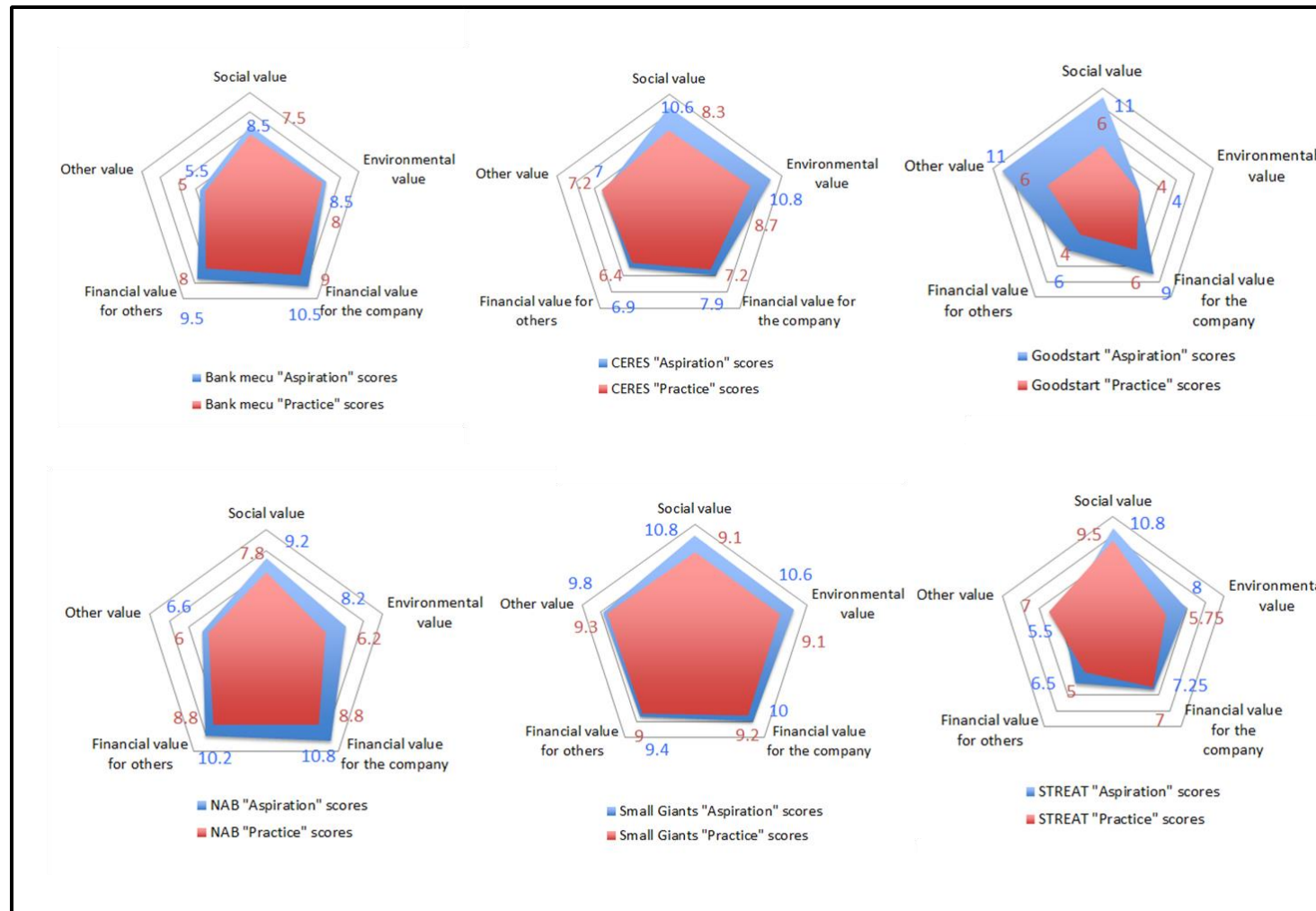


Figure 9.10 Value scores Aspiration vs. Practice

9.5 Summary of practical implications

In this chapter I have highlighted tools that managers may find useful in the pursuit of hybrid organizational value.

For organizations that are early in the process and are trying to understand how to reframe or define value as a hybrid construct, figure 9.1 demonstrates that the value taxonomy (see Chapter 5) would serve as a helpful starting point. This study provides managers with information and organizing concepts to clarify what is meant by hybrid value and the various ways in which organizations can approach hybrid value creation.

For managers who need to justify or prove the business case for framing value in a hybrid fashion, the findings in chapter 6 may prove a useful starting point. In this chapter, I outline the drivers that were observed by my case study participants, explaining why they believe organizations are framing value in a more complex and hybrid way.

As organizations move beyond the business case and understand the type of hybrid value strategy they hope to implement, chapters 7 and 8 provide resources and tools that managers may find useful in understanding best practices that lead to hybrid value as well as the link between value types, implementation, and outcomes.

Finally, as managers seek to understand whether particular strategies have been effective and how much and what type of value and outcomes have been created, chapters 8 and 9 may provide insights and tools to support the important steps of evaluation and assessment.

Chapter 10 Conclusion

Organizations are re-defining value in more complex ways, reflecting the principles of sustainable development that frame social, environmental and economic goals as interrelated. These shifts indicate that organizations are reflecting widespread recognition of the interdependencies of social dynamics, ecological health, and sustainable economic growth, signalling that organizations are both influenced by and are influencing the way in which society defines what is meaningful and valuable. While drawing upon different ideologies can lead to tensions in the pursuit of hybrid forms of value, organizations are seeking tools and practical solutions to help them navigate this complex landscape.

In this chapter, I present a summary of findings (s.10.1); discuss contributions and implication (s.10.2); note the limitations of this research project (s.10.3); and provide thoughts on future research directions (s.10.4).

10.1 Summary of findings

This study set out to explore how hybrid value organizations that define value as a composite of social, environmental, financial and internal value, are delivering these potentially competing outcomes.

In order to understand how businesses are creating hybrid value, my first objective was to understand what is meant by hybrid value. My data revealed that participants described seven distinct configurations that frame the relationships between these four types of social, environmental, financial and internal value. Three developed upon the existing literature—(1) blended value (Emerson, 2003); (2) shared value (Porter & Kramer, 2011); and (3) triple bottom line (Elkington, 1997)—and four new hybrid value ‘types’ emerged from my findings—(4) autonomy value; (5) enabling value; (6) threshold value; and (7) value swapping (Chapter 5).

My second objective was to understand what drives organizations to pursue hybrid value. The case study participants reasoned that their organizations were defining value in a more complex and hybrid fashion because of three broad drivers. The first was due to individual values (internal value, s.5.1.6) being coupled with a perceived social, environmental and/or financial need (s.6.1). This finding supported the social enterprise and entrepreneurship literature that cites institutional failures, particularly as related to unmet social needs as a driver of organizational response (e.g. Mair & Martí, 2006; Nicholls, 2006; Zahra et. al, 2008). My findings also provided new contributions to develop this literature by broadening the definition of ‘need,’ from social need due to institutional failures, to include perceived organizational financial and environmental needs. My findings also supported the literature that cites the values or personal mission of the entrepreneur or key executive as a critical enabling factor (e.g. Dacin et. al, 2010; Mair & Martí, 2006; Waldman et. al, 2006) and extended upon this literature by finding that the values of other employees, investors and key stakeholders also influence organizational value. My key contribution was in combining these two drivers. My findings show that combining internal value with perceived ‘need’ leads to a shift in organizational value orientation. The second driver related to organizations framing hybrid value as a type of bonus or ‘additional’ value that could be created in addition to a dominant or primary type of value (s.6.2). While this is discussed at length in the literature on strategic competitive advantage (see for e.g. Drucker, 1984; Porter & Kramer, 2006), this is not a driver that has been commonly observed as a driver for hybrid organizations. The third driver described how legislative and normative pressures, or the expectations of ‘others’ could drive organizations to frame value in a more complex and hybrid fashion (s.6.3), supporting the perspective on organizational legitimacy as a driver (e.g. Dowling & Pfeffer, 1975; Suchman, 1995; Haigh & Hoffman, 2012).

To address my third objective, I investigated how participants create hybrid value. I uncovered 200 distinct organizational practices that I organized into six categories to describe how my case studies were creating hybrid value (Chapter 7; Appendix 8). These categories included: (1) culture; (2) departments; (3) mechanisms; (4) people and relationships; (5) rules; and (6) structures, supporting the extant literature (e.g. Bull, 2007; Choi & Gray, 2008; Stubbs & Cocklin, 2008a; Smith et. al, 2011). While these findings reinforced the literature, revealing

and describing specific practices make an empirical contribution, demonstrating particular examples of how organizations create hybrid value. Additionally, some practices uncovered new issues faced by hybrid organizations, for example, the challenge in framing competitors as both competitors and collaborators (s.7.1.4). This phase of data analysis also led me to deduce from participant comments that organizations were referring to 36 types of hybrid value outcomes that could result from these 200 practices. Each of these outcomes related to a different mix of ‘institutional logics’ (s.2.5.1), including a mix of: intrinsic logic (s.5.2.4); community logic (s.2.5.1, s.5.2.2); market logic (s.2.5.1, s.5.2.1); and social welfare logic (s.2.5.1, s.5.2.3). The resulting findings and analysis from this exercise makes a new contribution to the literature on hybrid value, linking institutional logics to components of hybrid value and explicating these into outcomes.

To understand how organizations overcome tensions or reconcile logics, my fourth objective, I examined how my findings reflected, augmented and/or refuted the different approaches proposed by institutional theorists, particularly in relation to whether and how plural logics are reconciled and/or contested (see also summary table 10.3, s.10.2.3). My cases provided evidence that reinforces past research, and also provided new insights into how plural logics are at times compromised or negotiated (Oliver, 1991), decoupled (Meyer & Rowan, 1977), selectively decoupled (Pache & Santos, 2013), and/or combined (Greenwood, et al., 2011). These new insights reveal how organizations are managing plural logics in: defining value (Chapter 5); being driven to pursue hybrid value (Chapter 6); and implementing hybrid value practices (Chapter 7).

Finally, I drew upon my findings and analysis to derive a conceptual framework to model how component types of hybrid value relate to and are defined by the institutional logic lenses which organizations draw upon (Chapter 8). There are multiple ways in which managers may use this model or interact with its components. For example, I demonstrated how based on analysing the practices described by participants, I was able to code my data to map ‘value footprints’ for each case study, demonstrating how their organizational practices characterize what type of value and outcomes their organizations are creating. In section 9.4, I provided another example of the utility of my model by plotting four organizational outcomes (expressed

by participants as those most relevant and aspired to by their organizations) and the practices that lead to those outcomes; these included practices that the organizations are already undertaking as well as practices that other organizations are undertaking that lead to those same outcomes. This model could also be used to demonstrate how organizations could ‘move’ quadrants by drawing on a different mix of institutional logics and corresponding practices to create a different mix of outcomes. Finally, my model offered a framework for understanding the nuances between the underlying types of value—social, environmental, financial, and internal—and how those are interpreted according to different institutional logics, which provides novel insights into how and why organizations implement the value strategies they do.

10.2 Contributions and Implications

Parsons and Shils (1962) have noted that there are four classifications of theory development: (1) ad hoc classificatory system, where empirical observations are categorized in an arbitrary fashion in order to summarize and organize the data; (2) taxonomies, which include categories that fit and summarize the data; (3) conceptual frameworks that offer explanations and predictions by developing broad categories and sets of propositions; and (4) theoretical systems, which explain and predict empirical data, in which propositions can be derived from a series of axioms or premises (see s.3.1.3).

In this thesis, I have developed multiple classificatory systems of my findings toward the development of theory, notably a hybrid value typology (Chapter 5) that classified types of hybrid value that emerged from my research. I then organized these findings into a hybrid value taxonomy to summarize the relationships amongst the value types uncovered in my research, reflecting the second classification listed in Parsons and Shils (1962). Additionally, I developed a conceptual framework (Chapter 8) to explain and predict the relationships between institutional logics, hybrid value components, organizational practices and hybrid value outcomes.

In table 10.1, I summarize the contributions and implications of the findings and analysis from this thesis, noting what has been developed (extending the extant literature), what has been

refuted, and what is new across the domains of: theoretical knowledge; empirical evidence; and the knowledge of practice. I discuss these contributions to the hybrid value and hybrid organization, value theories, and institutional logics bodies of literature in sections 10.2.1-10.2.4.

Table 10.1 Contributions and Implications

		Extent of Contribution		
		What has been developed (extending the literature)	What has been refuted	What is new
Domains of contribution	(1.) Theoretical Knowledge	<ul style="list-style-type: none"> * <i>Hybrid value & hybrid org</i> (s.10.2.1) • <i>Value Theories</i> (s.10.2.2) ○ <i>Institutional Logics</i> (s.10.2.3) 	<ul style="list-style-type: none"> * Understanding nuances of hybrid value concepts • Understanding how organizations overcome plural value challenges (i.e. incommensurability) 	<ul style="list-style-type: none"> * Taxonomy and typology of hybrid value * Five value concepts: autonomy, enabling, internal, and threshold value and value swapping * Conceptual model explaining how institutional logics influence hybrid value ○ A new type of institutional logic: intrinsic logic
	(2.) Empirical Evidence	<ul style="list-style-type: none"> * <i>Hybrid value & hybrid orgs</i> (s.10.2.1) • <i>Value Theories</i> (s.10.2.2) ○ <i>Institutional Logics</i> (s.10.2.3) 	<ul style="list-style-type: none"> * Illustrating extant hybrid value concepts (blended value, shared value, TBL) * Why organizations pursue hybrid value ○ Mechanisms detailing how organizations manage plural logic tensions ○ Evidence that, at times, plural institutions can and other times cannot reconcile tensions 	<ul style="list-style-type: none"> * 6 case studies * 200 practices with examples of 8 new types of hybrid value practices (see Appendix 8) ○ The view that plural institutions are a source of irreconcilable conflict
	(3.) Knowledge of Practice	<ul style="list-style-type: none"> ❖ <i>Practice</i> (s.10.2.4) 	<ul style="list-style-type: none"> ❖ Value concepts for practitioners ❖ Drivers of organizational hybrid value, supporting the 'business case' ❖ Best practices, demonstrating how organizations can implement hybrid value strategies 	<ul style="list-style-type: none"> ❖ Conceptual hybrid value framework to link organizational aspirations to practice and outcomes ❖ Subjective value assessment tool ❖ Value 'mapping' tool ❖ Process to code for and/or assess what type of value is created

Legend: * contribution to the hybrid value and hybrid organization literature (s.10.2.1)
 • contribution to the value theories literature (s.10.2.2)
 ○ contribution to the institutional logics literature (s.10.2.3)
 ❖ contribution to the knowledge of practice (s.10.2.4)

10.2.1 Contributions to the hybrid organization and hybrid value literature

In the first row (1.) of Table 10.1, I highlighted my theoretical contributions. Building upon the extant literature on hybrid value, I developed insights into the nuances of hybrid value concepts in a hybrid value taxonomy, distinguishing between seven types of hybrid value that frame the relationships between four underlying component types of value and four identified institutional logics displayed by my case studies (Chapter 5). While I provided empirical evidence for three existing hybrid value concepts from the literature—blended value (Emerson, 2003); shared value (Porter & Kramer, 2011); and TBL (Elkington, 1997)—I also contributed five distinct new types of hybrid value to build theory on hybrid value, including: autonomy value; enabling value; internal value; threshold value; and value swapping.

I documented six case studies and detail 200 practices (Appendix 8) to provide empirical examples of how organizations are creating hybrid value, including contributing 8 new types of practices (see Appendix 8) to the literature on hybrid organizations. I also developed or provided new insights to the extant literature with empirical evidence detailing why organizations define value as a hybrid construct (Chapter 6). I broadened the definition of ‘unmet social need’ from the existing literature on hybrid organizations and social enterprises to include ‘unmet needs’ that may also arise based on perceived environmental and/or financial imperatives (s.6.1). I confirmed the CSR literature on the pursuit of hybrid value as an ‘additional’ value (s.6.2), detailing how hybrid value can result from a perspective of so-called enlightened self-interest (Drucker, 1984) or yield strategic competitive advantage (Porter & Kramer, 2006), for example, in the way of reputational benefits. I also reinforced the literature on organizational legitimacy; my case study evidence suggests that organizations are driven by normative pressures on legitimacy (s.6.3).

Finally, I contributed to the hybrid organization and hybrid value literature by developing a conceptual framework (Chapter 8) that demonstrates: how institutional logics can inform the meaning of value; how organizations can understand and map the type of value they are creating by analysing their implementation strategies (i.e. practices, Chapter 7); and how organizations can link their value creation aspirations to practice and hybrid value outcomes (Chapter 8, 9).

10.2.2 Contributions to the value theory literature

This thesis has also developed and makes contributions to the literature on the theory of plural value (Tetlock, 1986), illustrating how organizations may overcome issues of value plurality, including: cognitive dissonance; incommensurability; value relations; and aggregation (s.2.5.2; Chapter 5). These contributions to the value theories literature also hold implications for the management literature. To date, the management literature and the value theories literature have not explained whether and how organizations overcome the issues raised by value plurality (Anderson, 1993; Aram, 1989; Sethi, 1986; Tetlock, 1986).

Cognitive Dissonance

While value theorists, such as Tetlock (1986) and Anderson (1993) point out a natural bias toward monism as the cognitive solution to overcoming dissonance, management and institutional theorists provide evidence that organizations also tend toward monism, operating within a dominant paradigm of trade-offs or either/or (e.g. Alter, 2004; Friedland & Alford, 1991; Stevens, et.al., 2014). The literature is devoid of reference as to how managers might overcome the issue of cognitive dissonance that may arise when operating in the context of plural logics and plural values. My case studies provided evidence to fill this gap and addressed the issue of cognitive dissonance (s.2.5.2.1) in three ways.

First, cases demonstrated how they separated component types of value, acknowledging them as distinct, as in acknowledging that social, environmental, financial and internal values are distinct and separate (s.5.2.3.). Evidence of this was seen when companies described treating these types of value separately, as in trying to leverage financial value to maximize social value and minimize negative environmental value. By separating out types of component values, they were recognizing that they are distinct outcomes and apply different strategies to attain those outcomes.

Second, they held value concepts where multiple component types of value were all desirable and legitimate forms of value to pursue, explaining how the relationships between and amongst component values created hybrid value concepts, such as: autonomy value, blended value,

enabling value, etc. (Chapter 5). Cases demonstrated how a dominant logic, for example market logic, can influence how types of value are driven by and reinforce the outcome of financial value in the form of profits (e.g. NAB, s.5.1.5).

The third tactic demonstrated by my case studies was observed as they separated and/or aggregated types of value in different ways across levels of the organization, for example, pursuing one component type of value at a project or portfolio company level and aggregating all the component value initiatives at the parent company level, thus hybridizing the value concept (s.5.1.8). This technique of ‘separate and aggregate’ reflected selective decoupling, where organizations implemented a singular logic and frame one type of value goal and then later combined logics and value types to yield hybrid outcomes (Pache & Santos, 2013).

Further, my case studies demonstrated how they took these hybridized value concepts (table 5.2) and institutionalized them by aligning and embedding values into practices (Chapter 7). For example, STREAT alluded to decision matrices that explicitly guided purchasing decisions when café managers had to navigate competing value tensions (s.7.1.5). These types of practices institutionalized hybrid value concepts by providing tools and systems that helped organizations navigate tensions when cognitive dissonance arose.

These examples provided tangible examples of how managers overcome the issue of cognitive dissonance that can arise in a plural value context (Anderson, 1993; Tetlock, 1986), filling a gap both for value theorists as well as management theorists interested in how hybrid organizations are navigating the inherent challenges in pursuing more than one type of value.

Incommensurability

One of the most contentious areas in the literature on hybrid value measurement is the issue of incommensurability (e.g. Mulgan, 2010; Norgaard et.al, 2001; Trainor, 2006).

While case study participants agreed that financial value, social value and environmental value operated on independent scales, measures of value, and time scales at a conceptual level; they demonstrated how at the implementation level, practices re-framed or overcame these

issues (Chapter 7), implying that managers may be able to overcome conceptual incommensurability issues through specific implementation-level practices. Across case studies, participants described aspirations to create multiple types of value (Chapter 5); however, they acknowledged that different types of value were, in fact, different. They operated on different scales, were achieved in different ways, and held value for different beneficiaries (Chapter 5).

To overcome these differences, Small Giants demonstrated an approach to assess value in a subjective way, where individuals who held complex internal values along different dimensions and drew upon different guiding logics applied subjective, often intuitive assessments to guide hybrid value outcomes (s.5.1.6). This included subjectively applied ‘triggers,’ or thresholds that shifted value priorities based on subjective criteria and framed value types as relative to one another (s.5.1.7). Thresholds combined with internal value and subjective assessments were used to answer questions such as: at what point is value mix A better or worse (or acceptable/unacceptable) than value mix B? Or similarly, a set of questions that reflected this process of relatively assessing value was: have we created enough/sufficient/acceptable value and what do we need to do in our value mix to achieve this? These approaches helped organizations overcome the issue of incommensurability by drawing on relative and subjective assessments of value that informed organizational behaviour.

Participants also illustrated their understanding that types of value can operate on different scales, leading to different types of ‘assessment’ or measurement that can take place along different axes. For example, if an organization’s value concept reflected ‘Value Model 2’ the value quadrants model (fig.5.5-5.5.1, s.5.1.4), financial value was measured by its numerical scale along one axis, while social value and environmental value displayed different ordinal scales that reflected more detailed subjective assessments behind them, a technique described by Small Giants. In this way, a total value picture was derived to be commensurate, when the scales were aggregated from both quantitative and qualitative underlying data, specific to each axis or type of value.

All six case studies referenced using tools that relied on underlying subjective assessments, including the Social Return on Investment (SROI) tool (Chapter 7). All case studies invested in

SROI assessments to understand the potential impacts of their investments, at least on a project-based level. The SROI process attempts to quantify the social impacts or return on investment; however, to arrive at the quantitative figures relies largely on subjective assessments to gauge how much impact has been achieved (s.2.5.3.3) (e.g. Mulgan, 2010; Lingane & Olsen, 2004).

Much like the issue of cognitive dissonance, while recognition of the challenge of incommensurability is quite prevalent in both the value theory and hybrid value literature (Anderson, 1993; Munda, 1997; Trainor, 2006), the practical and theoretical evidence on how to overcome this issue has been lacking. This thesis has addressed this gap by uncovering specific strategies that managers can use to overcome incommensurability, such as subjective assessment tools and value models that separate component values onto distinct scales.

Value Relations

In Sethi's (1986) interactional value theory, plural forms of value must take into consideration how types of value relate to and interact with one another (s.2.5.2.3).

My findings demonstrated that my case studies, at times, supported Sethi's (1986) theory (for e.g. s.5.1.1; s.6.1), illustrating the explicit interactions and relationships amongst component types of value. However, at other times, cases kept component values distinct, operating on independent axes without explicit relation to other component values, contradicting Sethi's (1986) theory (e.g. s.5.1.1, Table 5.1, models 1 and 2).

This indicates that managers may find multiple approaches to hybrid value creation, some of which make explicit the relationships amongst component values, and others where component values are approached with independent strategies and navigated through negotiated exchanges. For example, enabling value (s.5.1.5, fig.5.6) acknowledged the importance of the interactions amongst types of value, where value can be augmented or diminished by the relationships amongst component value types, where one type of value enables the creation of another type of value. However, in other cases, value swapping (s.5.1.8, fig.5.11) illustrated a concept whereby component values were framed as negative sum or trade-off, reinforcing the paradigm that hybrid value results from making a series of trade-offs and compromises (Alter, 2004; Oliver,

1991; Stevens, Moray, & Bruneel, 2014). These findings indicate that in some cases, organizations acknowledge the relationships between component values, and in other cases they do not. For organizations attempting to move beyond the either/or paradigm and maximize hybrid value, they may find it helpful to draw on this idea of value relations to assess whether one type of value is, in fact, augmenting, diminishing or influencing other types of value and to what end in the total value outcome. Value relations, then, becomes a framework for organizations to think about the relationships amongst and between value types rather than a challenge or an issue to be overcome.

Aggregation Issues

Aram (1989) underscored the need for plural forms of value, by describing how value cannot be aggregated across time and space, meaning that value created in the short-term may be incommensurate or even in conflict with value created in the long-term or similarly how value created for an individual may conflict with value created for a group to which that individual belongs (s.2.5.2.4). The three tactics that case studies illuminated to overcome aggregation issues included: (1) strategic decisions to pursue value along different dimensions (Chapter 5, 7); (2) value swapping (Chapter 5, 7); and (3) setting system boundaries to determine materiality (Chapter 7).

NAB demonstrated the first tactic of setting a value strategy to meet both short-term and long-term value targets. One participant described meeting the short-term quarterly reporting targets demanded by shareholders while also investing in the longevity of the business. This participant felt that NAB's strategy was to create short-term financial value for the shareholder with business-as-usual tactics, to find efficiencies and increase revenues while at the same time investing in the social and environmental investment platforms to build long-term value via stakeholder engagement, reputation and brand value (s.5.1.2).

STREAT illustrated how the mechanism of value swapping could also address aggregation issues, by acknowledging the need to create value now and for the long-term, value for certain individuals as employees as well as value for those individuals as community members, value for individuals as investors as well as those same individuals as customers (s.5.1.8). By

‘swapping’ the relative priority of value dimension, case studies were able to pursue different types of value with deliberate strategies and practices to create value for multiple groups across time and space.

Finally, Small Giants provided an example of setting system boundaries and determining materiality of impacts to determine for whom and over what time span value was being created. Small Giants’ process of determining impacts began by asking its team members, “*who and what are we touching and are all those things being looked after?*” [SG6] (s.7.2; Appendix 8). This process is one of determining system boundaries and determining what impacts should be ‘internalized’ to the firm and assessed to inform strategy and practice.

Each of these three strategies provided examples of how managers may overcome the challenges of aggregation, considering long and short-term interests, and individual and collective level assessments of impact. While Aram’s (1989) work highlighted the paradox of interdependence of the social issues in management, my case studies demonstrated tangible evidence that the paradox, in parts, is able to be resolved.

Summary of contributions to the value theories literature

To overcome cognitive dissonance, my case studies demonstrated how they are creating hybrid value concepts and institutionalizing these values into practices and systems. Subjective and relative measurement tools were used to provide a systems approach to help overcome issues of incommensurability. By framing conceptual models to acknowledge the relationship and interaction between value types, all of the case studies demonstrated how they overcame issues with value relations. Finally, to overcome issues of aggregation, participants described how organizational strategy and mechanisms such as value swapping can create multiple value priorities that can be pursued in tandem. The empirical evidence from my case studies suggests that organizations are at a more mature stage in addressing issues related to cognitive dissonance than those related to incommensurability, aggregation and value relations (table 10.2). My findings addressed unanswered challenges raised in the value theories literature, illustrating how organizations can overcome the issues that arise due to the complexities of more than one value system being at play.

Table 10.2 Addressing plural value challenges

Literature-derived hybrid value challenge and Source(s)	Definition	Hybrid value principles to address the challenge	Case studies
Cognitive Dissonance (Anderson, 1993; Tetlock, 1986)	One value type is dominant; cognitive dissonance over plurality	<p>Value concept= Accept that multiple types of value exist as legitimate outcomes, both (all) desirable. (See Table 5.2 for hybrid value concepts.)</p> <p>Institutionalization= Institutionalize values into processes, incentives, rules and structures. Examples include: decision matrices that make value priorities explicit and values-based performance reviews.</p> <p>Level of Analysis=At the implementation level, types of value may be pursued independently; however at the conceptual, strategic and assessment levels, value can be aggregated to hybridize value.</p>	ALL
Incommensurability (Tetlock, 1986; Norgaard et.al, 2001; Mulgan, 2010a)	Types of value cannot be measured on the same scale or compared	Hybrid value can be assessed subjectively in relative terms. For example, subjective assessments can be made as to the relative performance of each value type. This creates a subjective commensurate scale with different data inputs (subjective and objective) behind each subjective assessment.	ALL
Value Relations (Sethi, 1986)	Value types do not hold any relationship to one another	Acknowledge that one value type may be dependent upon another value type. For example, one type of value may be amplified or diminished because another type of value exists; or vice-versa.	ALL
Aggregation (Aram, 1989)	Value can vary across time, stakeholder identification and space	<p>Strategy=Acknowledge the different dimensions (i.e. time, identity, space) of value can inform the strategic intent to create value across levels; for example, creating value A in time x as well as creating value A in time y.</p> <p>Value swapping=Alternatively, one mechanism is to ‘swap’ value in one dimension, i.e. short-term financial value for value in another dimension, such as long-term financial value, creating a more hybridized total value outcome.</p> <p>Materiality=Determine what impacts and dimensions are material.</p>	BM, SG

10.2.3 Contributions to the Institutional logics literature

In table 10.1, I also highlighted my contributions to the institutional logics literature, including identifying a new type of institutional logic, intrinsic logic (s.5.2.4) that may provide further theoretical insights to researchers of hybrid organizations and hybrid value.

My findings provided evidence of all four strategies discussed in the literature for managing the tensions that arise in plural institutions (see s.2.5.1) (e.g. Pache & Santos, 2013), developing the extant literature on institutional logics, specifically in reference to plural logics. For example, my case studies explained ‘how’ organizations are implementing the plural logic strategies outlined by Kraatz & Block (2007) (s.2.5.1). As an example, Goodstart illustrated how it loosely couples (Kraatz & Block, 2007) or selectively decouples logics (Pache & Santos, 2013), acknowledging the existence of both social and financial value, but largely pursuing each in isolation of the other. In contrast, NAB illustrated Kraatz and Block’s (2007) ‘cooperative solutions’ model whereby the firm’s value model describes how social and environmental value can drive employee and customer engagement, thereby driving productivity and retention, in turn driving financial value, which again drives social and environmental investment (s.5.1.2, s.5.1.5).

Kraatz and Block (2007) described another strategy of becoming a plural institution and embedding plural logics into an organization’s identity, which I refer to as combining logics (Battilana & Dorado, 2010). My case studies provided empirical examples, again supporting and developing the literature, by describing how organizations implement these strategies of combining logics by aligning value concepts with practices or institutionalizing values into systems, processes and rules. For example, to overcome governance conflicts, Bankmecu aligned its value concept with its systems of governance by deriving its values from its customer-owners. As a cooperatively-owned community finance institution, Bankmecu’s processes of electing directors, strategic planning,

product development, reporting, etc. were reflective of the values of its customer-owners (s.4.3, s.5.1.1).

In table 10.3, I summarized how my case studies provide empirical evidence to demonstrate how organizations are reconciling or contesting the tensions that arise in plural institutions. My findings provided evidence of support for each of these four approaches to navigating plural logics, finding that logics are either: decoupled (Meyer & Rowan, 1977); selectively decoupled (Pache & Santos, 2013); compromised (Oliver, 1991); and/or combined (Battilana & Dorado, 2010) (table 10.3). Because I have found evidence of each of these approaches, my research also provides evidence that plural logics can, at times, be reconciled, refuting the long-held position by institutional theorists that plural logics are irreconcilable (see for e.g. Meyer & Rowan, 1977; Friedland & Alford, 1991) (s.2.5.1). While in some instances my case studies did decouple logics, creating a situation where less dominant logics remain but are contested (e.g. NAB); other examples provided evidence that, at times, logics can be reconciled (e.g. Bankmecu, Ceres, Goodstart, Small Giants, and STREAT).

My findings suggested that there is no one over-arching organizational strategy for managing the tensions of plurality that arise from conditions where multiple institutional logics are present. However, my research has provided evidence of the mechanics of each of the four extant strategies of managing plural logics (Table 10.3).

Table 10.3 Case study examples to reconciling plural logics

Plural logic approach	Description	Source(s)	Technique demonstrating the approach	Case(s)	Thesis reference
Decoupling	Uphold the meaning and policies of one logic; but implement according to another logic	Meyer and Rowan (1977); Friedland and Alford (1991)	Pursuing hybrid value as 'additional' value	GS, NAB, ST	s.6.2, s.7.1.5
Selective decoupling; Loosely decoupling	Uphold both logics in some circumstances and only one logic in others	Pache and Santos (2013); Kraatz and Block (2009)	Separating logics across portfolio businesses to maintain financial autonomy, i.e. market logic in one business to maximize profits and divert them to a social welfare logic business See also: enabling value; threshold value; value swapping; blended value; and TBL	All	s.5.1.4 s.5.1.5, s.5.1.7, s.5.1.8, s.5.1.1, s.5.1.3
Compromising; Cooperating	Acknowledge a mutual dependency; bargaining and conforming to meet minimum standards of stakeholders of both logics to maintain legitimacy	Oliver (1991); Kraatz and Block (2009)	Compromising profits in the form of shareholder value to invest in socially beneficial outcomes, such as community investment, which may, in turn, augment profits, driving more shareholder value (i.e. shared value) See also: autonomy value; enabling value; internal value	All	s.5.1.2 s.5.1.4, s.5.1.5, s.5.1.6
Combining; Plurality	Undertaking activities from each logic	Greenwood et.al. (2011); Battilana and Dorado (2010); Kraatz and Block (2009)	Individuals hold multiple values simultaneously that rely on combining multiple logics (i.e. internal value) See also: 'internal value' + perceived 'need'; organizational legitimacy via normative pressures	BM, CER, GS, SG, ST	s.5.1.6 s.6.1, s.6.3

10.2.4 Practical implications

Finally, in table 10.1, I outlined my contributions to the knowledge of practice, which I discussed in chapter 9 (managerial implications). My practical contributions included concepts and tools for managers of organizations in pursuit or consideration of hybrid value.

This thesis uncovered hybrid value concepts to help managers understand the nuanced relationships between underlying component values (social, environmental, financial and internal value; Chapter 5), illustrated the drivers of organizational hybrid value, which may support managers in a position to articulate a business case to pursue hybrid value, and provided a list of best practices that can guide organizations wishing to create hybrid value.

Additionally, the conceptual model, developed in chapter 8, provided a framework for managers to understand the link between their organizational value aspirations, practice-level implementation, and hybrid value outcomes. This conceptual framework may serve as a practical tool to help managers ‘map’ their value footprints (Chapter 8) to better understand the type and characteristics of the value their organizations are creating. Finally, I demonstrated how my survey instrument could be adapted to provide managers with a subjective assessment tool to gauge their stakeholders’ perceptions of value creation (Chapter 3, 9).

10.3 Limitations

While the thesis makes substantive contributions to both the academic literature and knowledge of practice, there were a number of limitations.

Gathering data for the research objectives in order to address my research aim resulted in a large amount of rich data that was difficult to summarise and present in this thesis. This is a common limitation in qualitative research (Eisenhardt, 1989; Yin, 2003), and I have attempted to work within this limitation by presenting a wide spectrum of

information across summary tables, figures, and clearly outlined findings chapters. I also found that due to time and resource constraints, I was restricted to six cases. Additional case studies would strengthen the generalizability of the findings, with greater theoretical implications.

There are a number of ways which I could have approached, segmented and analysed my data, as the topic of hybrid value spans many disciplines and research areas. I was limited by time to engage with other forms of value than those I uncovered, such as public value (see for e.g., OECD, 2015). By broadening my study to include more case studies, such as public/private hybrids, I may have been able to uncover ‘other’ forms of value. Additionally, a larger sample size may have led to the identification of other types of institutional logics other than the four uncovered in my sample set. My conceptual model provides a platform for future research that can be expanded to include these other types of logics and values.

Additionally, the research findings were restricted to the Australian context. It would be interesting to examine hybrid value organizations in both developing and developed markets and in different cultural contexts to test the applicability of my findings to these contexts.

Further, my sample population spanned a wide array of sizes, sectors and models of incorporation. However, due to noted time and resource constraints, my sample size (or quantity) of each category or type of organization is small, which can make it more difficult to generalize findings and results to a wider population. My sample was not bounded by industry or size, in part, due to the relatively nascent and emergent nature of the field, where it would have been challenging to compare as many cases (in particular, established and mature organizations) bounded by one sector, for example. However, the benefit of this diverse sample may have helped draw out a broader set of best practice examples that illustrate how organizations are creating hybrid value in multiple ways (Chapter 7).

My sample size for each case study was also limited by access and time. For example, although I managed to access 16 participants from NAB, including the CFO at the time of interview, I was constrained by time to conduct more than the seven interviews and two focus groups for this particular case. It may have been interesting/valuable to interview a broader sample of more traditional bankers (those not familiar with the hybrid value platforms of the bank) to gain a wider perspective of views as well as client or partner organization perspectives (I did interview one partner organization participant). This limitation was largely due to the amount of time it took to access and set up meetings, particularly pronounced in the larger organizations, such as NAB and Goodstart, but also at CERES and to some extent Bankmecu. In some cases, this was not a limitation. For example, at Small Giants, I had access to all employees except for the one on maternity leave and so could only have broadened my sample for that case by including more external stakeholders. STREAT also was generous with participation, providing access to key employees from each division as well corporate partners; however, it may have been interesting to interview a broader group of their stakeholders as well, including a young homeless beneficiary who had gone through their program and a customer/client; however, logistically, STREAT was unable to provide access to these groups in a timely fashion. Access to external stakeholders whose views would have been very interesting was difficult at all organizations, as I relied on key executives from each organization to provide that access, which all organizations were either too busy or reluctant to do.

10.4 Future research directions

Many of the research limitations provide opportunities for future research directions. For example, it may be interesting to broaden the sample population and examine case studies in different contexts. This might address research questions about whether the hybrid value typology, drivers, practices and conceptual model hold or whether there would be differences in the way in which value is interpreted and pursued. For example in eastern countries versus western countries or developed versus developing countries, or even between different western developed countries, where cultural influences, market dynamics, and the maturity of hybrid organizations and policies vary, such as the US and Australia, would my findings and models hold? It would also be interesting to explore

case studies that may draw out different types of value, such as institutions whose purpose is to create public rather than private value. Similarly, it may be interesting to see whether my findings and model hold for other ‘plural institutions,’ for example hospitals (D’aunno, Succi, & Alexander, 2000; Denis, Lamothe, & Langley, 2001) or public organizations (Brunsson, 1989; Dutton & Dukerich, 1991; Stone & Brush, 1996) to see whether the shift in logics and values influence or support my findings and conceptual model. It may also be interesting to see whether there are similarities, differences or other trends that would emerge when focusing on particular industry sectors, for example, impact investing or financial institutions, or differences between types of incorporation, i.e. for-profit and not-for-profit.

As with any research project, I found that my data often opened up many questions. Future research could also more fully test and develop the subjective assessment tool I piloted in my survey (s.9.4) to bring to the fore how specific groups of stakeholders perceive the type and degree of organizational value creation. For example, further studies could broaden the group of stakeholders, to include investors, policy makers, customers, executives, junior employees, competitors, and community stakeholders to see whether certain groups held similar or conflicting ideas about the relative priority of the types of value an organization both should and could create. It would be interesting to explore whether the disparity between revealed value expectations or aspirations (stakeholder perceptions) and the value assessed to be created in practice (practice-to-outcome evaluation) could inform value creation strategies.

As I engaged with this research, I was inspired by the entrepreneurs, their stories and their passions. It would be interesting to do a more explicit study on understanding the links between their values and personal motivations (internal value), organizational value, and the outcomes that organizations achieve. Future research could also explore the nuances between the ‘aspirations’ of the organizations and the actual outcomes they achieved (Chapter 9), exploring why the gaps exist, the impact that may be having, and the possible solutions, particularly by further exploring how organizational practices result in desired or perverse outcomes.

The findings on organizational practices (Chapter 7) provide opportunities for future research to explore whether and how organizations can translate the best practice examples of other cases and peer groups to navigate the various tensions that arise in pursuing hybrid values and in operating in plural institutions. For example, by building a robust database of organizational practices across multiple case study sites and tracking measurable value outcomes across component types, the links between practices and outcomes may become more apparent.

In sum, I believe there are multiple avenues for future research to expand, test, and refine the findings, tools and conceptual model that emerged from this thesis, including: hybrid value components (Chapter 5); the hybrid value typology and taxonomy (Chapter 5); the drivers of hybrid value (Chapter 6); the organizational practices that yield hybrid value (Chapter 7); hybrid value outcomes (Chapter 8); the subjective value assessment tool (Chapter 9); and the conceptual model of hybrid value creation (Chapter 8, 9).

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Appendix 1 Interview and Focus Group Guides

This appendix includes a list of questions and topics used to guide the interviews and focus groups of participants from the six case studies, including: Bankmecu, CERES, Goodstart Early Learning, NAB, Small Giants, and STREAT (see chapter 4 for case study overviews).

Interview Guide

Research topic	Aim of question
1. Can you provide some background on yourself and your role in the organization?	Icebreaker
2. How would you say your organization defines value?	Understand how they define value
3. Where do you think this definition of value stems from?	
4. How would you describe the purpose or mission of your organization?	
5. Why do you think the organization defines value in this way?	Understand drivers; why hybrid value?
6. Who does your organization hope to benefit? How?	Who might retain the value created?
7. Do you feel there are tensions that arise in pursuing multiple types of value or different types of outcomes?	Do tensions arise? What are they?
How do you manage those tensions?	How are they dealt with?
8. How do you feel your organization is implementing this value strategy?	Understand the practices at the implementation level that create hybrid value
What practices is your organization undertaking to create the value it seeks?	
Tell me about a project or initiative that you love working on.	
If you'd like to refer to Table a.1, it may provide some examples of practices to stimulate your thinking.	

9. Do your personal values align with the organization's values? In what way?	Understand drivers; why hybrid value?
10. Do you identify with a particular visual model (see figures a.1-a.3 below) as a representation of the way your organization defines value? Why? How?	Understand how they define value
11. Who would you all see as key stakeholders (individuals or groups) to engage in the next stage of research (FG, Survey) to get their opinions on the type of value they see your company creating?	Snowball sampling
12. What could/might need to happen to help you better facilitate your mission or achieve your value strategy?	Understand drivers or enabling factors
13. Is there anything else you'd like to add?	Open question to allow them to say what they would like to say



Figure a.1 Tension or Trade-off model (adapted from Alter, 2004)

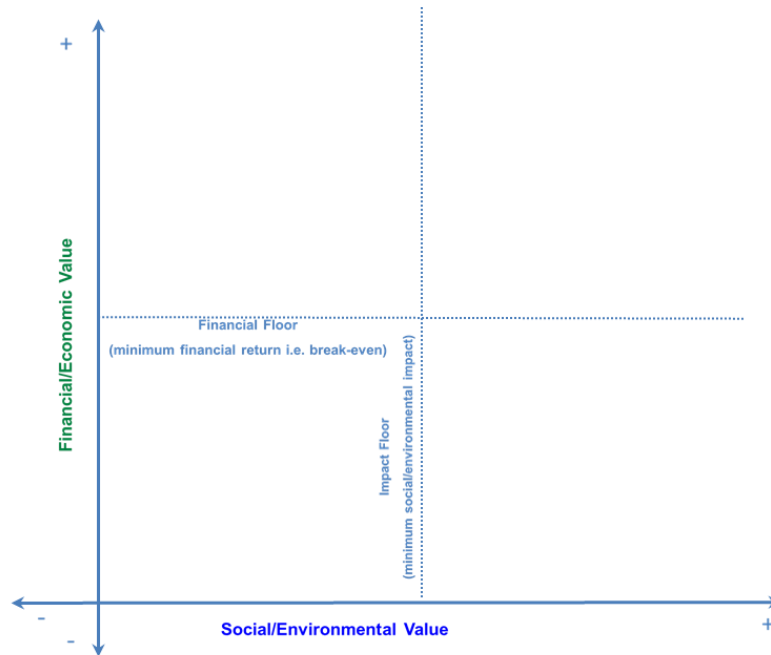


Figure a.2 Value quadrants model (adapted from Thornley and Dailey, 2010)

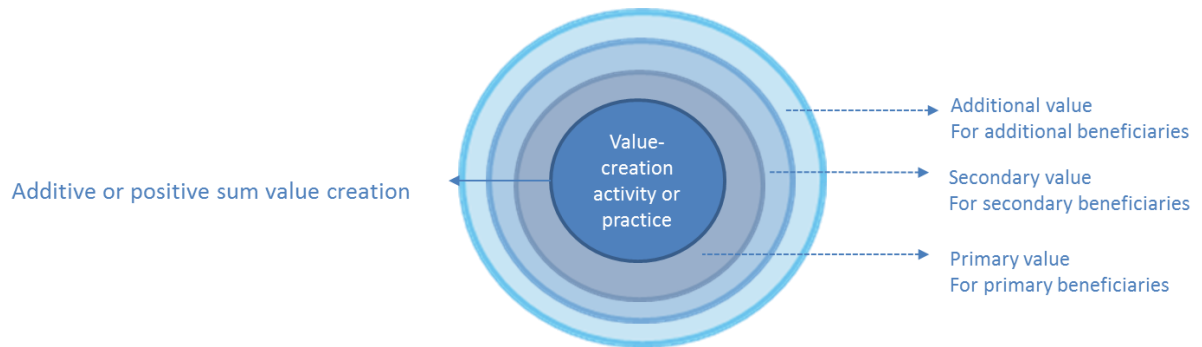


Figure a.3 Ripple effect model

Table a.1 Reference table for Interviews and Focus group discussion







Business Dimension	Sub-categories	Sample practice categories or indicators
1. Business Models	Value creation Orientation; Purpose; Organizational Design	Marginalized employment model, inclusive or under-served market, customers as beneficiaries
2. Communication and External Engagement	Stakeholder Engagement, Reporting	Co-create strategies with consumers and community, share knowledge, integrated reporting, stakeholder engagement policies
3. Community	Economic Development, Civic Engagement	Community service policies, job creation, retaining local capital
4. Core Offering	Product/Service; Value Proposition	Leverage core competencies to capture social/environmental niches, social innovation strategies
5. Eco-system or Partnerships	Partners, such as suppliers and distributors ; Industry partners or clusters; value chain; competencies	Create clusters, introduce social/environmental screens on partners, knowledge sharing
6. Environment and Operations	Operations, Products and services	Value chain efficiencies, reduce negative externalities, voluntary standards, auditing, closed loop systems
7. Finance	Revenue streams; Cost structures	Shift from cost-cutting to value creating; Long-term view; pro-bono work; preferential pricing; revenue trade-off for social/environmental mission
8. Governance	Ownership; Control; Mission; Stakeholder Orientation	Diversity policies, Stakeholder engagement, Director-level social/environmental performance review, legal form or certification
9. Management and Strategy	Leadership; Vision	Trade off profits to support values, invest surplus for social mission, philanthropy, premium pricing strategies, unusual exits, innovation, incentives
10. Marketplace, Customers	Relationships	Co-creation strategies with customers, designing products that are good for customers, building trust
11. Tracking and Measurement	Verification	Measurement frameworks and assessment tools to track social and environmental metrics
12. Workers, Workplace, Employees, HR	Culture	Fair wages, non-discrimination, invest in employee development and training, employee ownership, flex-time, maternity leave, employee benefits that exceed industry standards; employee satisfaction

Focus Group Guide

Research topic	Aim of questions
<p><i>1. Individual exercise prior to group discussion:</i></p> <p>Please indicate which of the three value model(s) provided (see fig.a.1, a.2, a.3) resonate(s) most with how you see value creation at your organization. Circle or star that model. On that model, please mark an “A” where you think your organization sits on this value model based on aspirations, mission and values. Please write “P” on the model where you think your organization is based on performance and actual practices. If you think your organization fits on more than one model, please note an “A” and “P” on each relevant model.</p>	<p>Understand how they define value; stimulate group discussion first with individual thinking, followed by group discussion and/or debate</p>
<p><i>2. Group discussion:</i></p> <p>Which model did you choose?</p> <p>Why?</p> <p>Did you agree or disagree?</p> <p>What are some examples of how your organization creates value like that?</p> <p>Why do you think your organization frames value in that way?</p>	<p>Understand how they define value; practices that deliver that type of value; and drivers of hybrid value</p>
<p><i>3. Individual and/or Group exercises:</i></p> <p>What are some examples of how your organization creates the type of hybrid value it seeks?</p> <p>Can you provide examples of business model practices?</p> <p>What about operational practices? HR practices? Etc.</p> <p>You may refer to Table a.1 for example areas that may stimulate your thinking.</p>	<p>Understand how they define value; practices that deliver that type of value; and drivers of hybrid value</p>








Appendix 2 Survey Instrument and Results

This appendix provides a copy of the questions and results from the survey instrument, hosted on Qualtrics (see Chapters 3 and 9).

My Report				
Last Modified: 03/02/2015				
1. Which organization are you commenting on today?				
#	Answer		Response	%
1	Bankmecu		2	6%
2	CERES		10	32%
3	Goodstart Early Learning		1	3%
4	National Australia Bank (Development)		5	16%
5	Small Giants		9	29%
6	STREAT		4	13%
	Total		31	100%

Statistic	Value
Min Value	1
Max Value	6
Mean	3.68
Variance	2.69
Standard Deviation	1.64
Total Responses	31

2. What is your relationship to this organization? (Please select your primary relationship.)

#	Answer		Response	%
1	Founder, Entrepreneur		1	3%
2	Executive, Leadership Team, or Board Member		12	39%
3	Employee		13	42%
4	Investor		1	3%
5	Beneficiary		0	0%
6	Customer		2	6%
7	Partner		1	3%
8	Community Stakeholder		0	0%
9	Other (please specify)		1	3%
	Total		31	100%

Other (please specify)

IIG CIO

Statistic	Value
Min Value	1
Max Value	9
Mean	3.10
Variance	2.89
Standard Deviation	1.70
Total Responses	31

3. In your opinion, who does the organization help or benefit? In other words, for whom is the organization creating value? (You may select more than one response.)

#	Answer		Response	%
1	The organization itself		10	32%
2	Employees		25	81%
3	Customers		25	81%
4	Community members		29	94%
5	Investors, Shareholders or Owners		17	55%
6	The sector (please specify)		13	42%
7	Target beneficiaries (please specify)		4	13%
8	Other (please specify)		2	6%

The sector (please specify)	Target beneficiaries (please specify)	Other (please specify)
Social Enterprise, Impact Investing.		
Social Enterprise / Impact Investment	16 - 25 yo homeless and disadvantaged young people	
impact investing		
customer owned banking		
Early Childhood Education		
Leadership, being an exemplar, providing customers		
Sustainability Education		
Social change		
education	broad community	
environment		
Environment / Education		Environmental
Social enterprise		
	Global community partner organizations	
	students in environmental ed programs	suppliers of enterprises e.g. farmers

Statistic	Value
Min Value	1
Max Value	8
Total Responses	31

4. In relation to questions 5 and 6 of this survey, broad definitions of value are provided below. If you would like to comment on any of these definitions, please feel free to do so in the comment box below.

Social value is defined as value for people, such as relationships, well-being, skills, etc. for the benefit of employees, community members, customers, beneficiaries, or other stakeholders. Environmental value is defined as value for nature or the environment, including reduced pollution, species protection, conservation, etc. Financial value for the company itself is defined as monetary value or gains for the company itself. Financial value for others is defined as monetary value or gains for others, for example: employees, beneficiaries, customers, community, etc. Other types of value are defined as other types of value that do not fit into the categories above; for example, spiritual value.

Text Response

I've taken Financial Value as "Profit" and therefore rated its importance as 5, as surplus is not necessary but Financial Value = Financial Sustainability would be a 9!!

I'm considering Financial Value to be that beyond the basic necessary required finance to break even and to operate.

Statistic	Value
Total Responses	2

5. On a scale of 0 to 10, where 0 is not important at all and 10 is extremely important, what number would you use to rate how important it is for the organization to create the following types of value:

#	Question	Not important at all 0	1	2	3	4	Moderately important 5	6	7	8	9	Extremely important 10	Total Responses	Mean
1	Social value	0	0	0	0	0	0	1	1	3	8	18	31	10.32
2	Environmental value	0	0	0	1	0	1	3	2	4	6	14	31	9.58
3	Financial value for the company itself	0	1	1	0	0	4	1	1	5	5	13	31	9.10
4	Financial value for others	1	1	0	1	2	4	1	3	4	6	8	31	8.26
5	Other types of value	2	0	2	1	1	5	3	3	4	3	7	31	7.58

Statistic	Social value	Environmental value	Financial value for the company itself	Financial value for others	Other types of value
Min Value	7	4	2	1	1
Max Value	11	11	11	11	11
Mean	10.32	9.58	9.10	8.26	7.58
Variance	1.03	3.32	6.09	7.80	8.98
Standard Deviation	1.01	1.82	2.47	2.79	3.00
Total Responses	31	31	31	31	31

6. On a scale of 0 to 10, where 0 represents the lowest score or no value and 10 represents the highest value score, how much value do you think the organization is creating along the following dimensions:

#	Question	No value at all 0	1	2	3	4	A moderate amount of value 5	6	7	8	9	As much value as possible 10	Total Responses	Mean
1	Social value	0	0	0	0	1	2	4	8	9	4	3	31	8.48
2	Environmental value	0	1	1	1	1	2	3	8	10	2	2	31	7.84
3	Financial value for the company itself	0	0	0	1	2	3	3	5	13	3	1	31	8.10
4	Financial value for others	2	0	0	2	1	4	3	7	8	3	1	31	7.39
5	Other types of value	2	2	1	0	0	4	5	3	6	4	4	31	7.42

Statistic	Social value	Environmental value	Financial value for the company itself	Financial value for others	Other types of value
Min Value	5	2	4	1	1
Max Value	11	11	11	11	11
Mean	8.48	7.84	8.10	7.39	7.42
Variance	2.19	4.41	2.76	5.85	8.78
Standard Deviation	1.48	2.10	1.66	2.42	2.96
Total Responses	31	31	31	31	31

7. Optional: Why are you affiliated with the company you are commenting on today?

Text Response
They operate in the building I work within so buy a coffee every day from them. I was part of the team that got the access to operate this cafe.
It is a leader in social business in Australia and has a big-picture, long-term theory of change that is unrivalled in both its ambition to positively transform our economy.
For their stated environmental ethics and being a flexible, independent organization that doesn't try to make me fit into a particular corporate mold. Because I have the opportunity to work with people who value things other than making money which enables us to all pull together for an outcome that is bigger than ourselves
I'm an employee and I'm proud of what we are achieving both day to day and across the sector.
I chose to work at NAB because I believe that the values they are trying to embed across the business align to my personal values.
I'm the chief investment officer
an employee, customer and shareholder
I work for this Company and I'm extremely proud to be working here.
True love. I couldn't be doing anything else.
I want to be involved with the social change aspect and like what we stand for
I have made a choice to align my work with my values and have chosen to work at Small Giants because it aligns with my values.
I work for a business owned by Small Giants
The organization's values align with my own and it is important for me to work somewhere I feel as though I am contributing all of myself as opposed to only a small set of skills.
Because I love it
Due to a need to be contributing to a better world
I believe CERES does provide a framework for community improvement / service, and that I can add value.
I believe NAB is an industry leader in its approach to business here in Australia as far as looking at it from a shared value lens.
Because it is unlike any workplace I have ever know in all the right ways. Danny and Berry know how to be brilliant bosses. This is an inspirational place to come to every day.
Interesting work linked to personal values.
Employee Staff Rep on the Board Coordinator of CERES Global
Initiative, freedom to develop and implement ideas, values of the company, innovation, for the greater good
STREAT were established in our building due to long standing relationships between STREAT and PwC
Because of the culture of the organization and its investment into the community.
It's an opportunity to be of service to a community organization the purposes of which I regard as important.

Statistic	Value
Total Responses	24

8. Optional: If you would like to make any other comments or share any thoughts, please feel free to do so.

Text Response

Simple questions w multiple choice answers provide a shallow indication of the complexity and depth of this organization.

Statistic	Value
Total Responses	1

9. If you would like to receive a copy of the research results, please provide your name and email address. Your participation will be kept anonymous.

First Name	Last Name	Company	Country	Email
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Statistic	Value
Total Responses	15

Appendix 3 Third-Party Sources To Identify Case Study Population

This appendix provides a list of the third-party sources I engaged to identify my case study population (see chapter 3, section 3.2.2 for a description of the screening process).

Organization or Tool	Contact	Rationale for utilizing this source	Category
ACCSR (Australian Centre for Corporate Social Responsibility)	Consultations with Leeora Black, Founder and CEO	One of Australia's first CSR intermediaries and specialized consultancies	Intermediaries
ACSI (Australian Council of Superannuation Investors)	Sustainability Reporting practices 2012	Sustainability award	Awards and Recognition
Asia Pacific Centre for Philanthropy and Non-profits (Swinburne University)	Michael Liffman, Director	Notable intermediary	Intermediaries
ASIX (Australian Social Innovation Exchange)	Consultations with Christian (TACSI)	TACSI has merged with ASIX and ASIX is being re-structured after the death of its founder	Databases
AustralAsian Reporting Awards, Sustainability categories		Sustainability award	Awards and Recognition
Australia Sustainability Reporting Awards		Sustainability award	Awards and Recognition
Australian Social Enterprise of the Year Awards	Social Traders	Social enterprise award	Awards and Recognition
B Corporation Certification		Values-based screening	Voluntary Certification and Standards
B Lab	Consultations	Industry intermediary	Intermediaries
Bankmecu	Rowan Dolan	referred by Belinda Drew, Forresters and Jane Farago, Net Balance	Intermediaries

Bendigo Bank	Greg Pal and Peter Cornby	referred by David Rickards, SEFA	Intermediaries
BRW Best Places to Work Awards		Workplace award	Awards and Recognition
Cameron Neil, Net Balance		referred by Jane Farago, Net Balance	Intermediaries
Case study literature		academic sources	Awards and Recognition
Centre for Social Impact SE Case Study Report and Exemplary AU Ses 2011	Cheryl Kernot, UNSW (co-author)	Leading intermediary report on Australia's exemplary social enterprises	Intermediaries
CPA Australia	Amir Ghandar	Conference speaker at shared value conference	Intermediaries
Creating Shared Value 2012 Melbourne		Shared value industry recognition	Conference Program Listings
Corporate Responsibility Index Award		Corporate responsibility award	Awards and Recognition
CSR and Sustainability Awards, including: CR Awards, ACSI Awards, CSV Awards, Integrated Reporting Awards		Corporate responsibility awards	Awards and Recognition
Department of Education, Employment and Workplace Relations (DEEWR) Social Enterprise Development and Investment Funds (SEDIF) Social Finance Team	Adam Carlon	Government social investment team	Intermediaries
Early Learning Projects (crowd-funding platform)		Laura Egan, referred by David Rickards, SEFA	Intermediaries
ESG or Sustainability Indices, including: DJSI, FTSE4Good		publicly recognized sustainability performance	Databases
Ethical Investor Awards		ethical award	Awards and Recognition
Ernst & Young Social Entrepreneur of the Year Award		social entrepreneur award	Awards and Recognition
FASES (Finding Australia's Social Enterprises Sector)	online database	social enterprise database	Databases

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Forresters Community Finance	Call with Belinda Drew, CEO	SEDIF Fund manager: SEDIF fund managers have been selected by the Australian Government to offer social enterprises finance, such as loans, to help them grow their business and increase the impact of their work in their communities.	Impact Investor
Good Business Register		Values-based screening	Databases
Government Office of the Not-for-profits	Exemplary partnerships	third-sector awards	Awards and Recognition
Handup Australia	Innovative companies doing great things	innovation awards	Awards and Recognition
HUB Australia (referrals from Brian Kurtz, Host) and filters to database: (a) Entrepreneurship and Innovation (inc. social), (b) sustainability, © international and community dev't		referred by Mele-Ane Havea, Small Giants; Jane Farago, Net Balance	Databases
IMPACT--Australia: Investment for social and economic benefit report, published by DEEWR April 2013	Report on impact investing	Rosemary Addis; publicly recognized for thought leadership in impact investment	Awards and Recognition
Impact Collective	Grant recipients from impact investors	impact investment database	Impact Investor
Indigenous Business Australia		Hamish or Chris, referred by David Rickards, SEFA	Intermediaries
Ingrid Burkett		referred by David Rickards, SEFA	Intermediaries
Integrated Reporting Framework, GRI		referred by Melinda Leth, Net Balance; Amir Ghandar, CPA Australia	Voluntary Certification and Standards
Institute for Sustainable Futures		intermediary organization	Intermediaries
International Year of the Co-ops Awards		cooperative awards	Awards and Recognition
John Purcell, CPA Australia		referred by Amir Ghandar, CPA Australia	Intermediaries
Les Hems, Net Balance		referred by Melinda Leth, Net Balance	Intermediaries
Media coverage		public recognition	Awards and Recognition

Mission Australia	Meeting with Toby Hall, CEO	recognized notable intermediary with social enterprise portfolio	Intermediaries
NAB, Corrine Proske		referred by Belinda Drew, Forresters and IMPACT conference host	Intermediaries
Net Balance	Consultations with: Jane Farago, Melinda Leth	B Corp and consultant to SE, CSV, and CSR companies	Intermediaries
Net Balance	Highest CSV scored companies report	forwarded from Wendy Stubbs	Databases
NSW Gov't Green Globe Awards		green awards	Awards and Recognition
Organic, Fair Trade, or other certification label		fair trade and organic certification screen	Voluntary Certification and Standards
Queensland University of Technology; Centre for Non-profit and philanthropy studies	Jo Barraket	Intermediary organization	Intermediary organization
Reporting standards: UNPRI, UNPSI, GRI, IIRC, IRIS, or other		Values-based screening	Voluntary Certification and Standards
Responsible Investment Assoc Australia		referred by Melinda Leth, Net Balance	Intermediaries
RMIT Global Shifts 2012		Values-based screening	Conference Program Listings
RMIT Social Enterprise Group	Email with Ian Jones	intermediary organization	Intermediaries
Ryan Fix, Pure project		referred by Brian Kurtz, Hub	Impact Investor
School for Social Entrepreneurs	Online success stories	public recognition	Intermediaries
Schwab Foundation Social Entrepreneur Award		social entrepreneur award	Awards and Recognition
SEFA	David Rickards, CEO	SEDIF Fund manager: SEDIF fund managers have been selected by the Australian Government to offer social enterprises finance, such as loans, to help them grow their business and increase the impact of their work in their communities.	Impact Investor
SIWA		Brody McCulloch, referred by David Rickards, SEFA	Intermediaries

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Small Giants	Email with Mele-Ane Havea	Australia's first B Corp and Impact Investor	Impact Investor
Social Business Australia	stories.coop; Melina Morrison	intermediary organization	Awards and Recognition
Social Traders	Consultations with Mark Daniels, Nina Howard, Mindy Leow	key people within intermediary organization that have familiarity with the social enterprise sector	Intermediaries
Social Traders' Social Enterprise Case studies		public recognition	Awards and Recognition
Sustainable Living Festival Program		Values-based screening	Conference Program Listings
SVA		SEDIF Fund manager: SEDIF fund managers have been selected by the Australian Government to offer social enterprises finance, such as loans, to help them grow their business and increase the impact of their work in their communities.	Impact Investor
Social Enterprise Awards 2013		Values-based screening	Conference Program Listings
TACSI: The Australian Centre for Social Impact	Christian	Notable intermediary	Intermediaries
United Nations Australia Awards	Sustainability categories	Sustainability award	Awards and Recognition
UN Global Compact	Signatories	Values-based screening	Voluntary Certification and Standards
UN Principles for Social Investment Award		social investment award	Awards and Recognition
University of Melbourne	Consultations with Elizabeth Ozanne	academic intermediary	Intermediaries
University of New South Wales	Cheryl Kernot, UNSW (co-author)	referred by Michael Liffman, Swinburne	Intermediaries
University of Sydney	Richard Seymour	Referred through the centre for social impact	Intermediaries
Victorian Premier's Sustainability Award		Sustainability award	Awards and Recognition

Appendix 4 Case Study Population—Possible Sample Population and Final Case Study List

This appendix provides the final case study population list, identifying the number of third-party sources which cited that organization as a possible case study. It also provides a long list of possible sample population companies listed alphabetically that the third-party screens (see Appendix 3) suggested as possible case studies.

Final Case Study Population List

	About	Sector	Identifier 1	Identifier 2	Identifier 3	Identifier 4	Identifier 5	Identifier 6	Identifier 7	Identifier 8	Identifier 9	Identifier 10	Identifier 11
NAB (National Australia Bank)	Bank	Financial Services	Premier's Sustainability Award (VIC)	United Nations Assoc Australia Award	AustralAsian Reporting Awards	Jane Farago, Net Balance	Melinda Leth, Net Balance	Belinda Drew, Forresters	Net Balance CSV report	FASES	Small Giants partner	ACSI Sustainability Leaders	Toby Hall, Mission Australia
Hepburn Community Wind	community-owned wind farm	Environment, Energy	Ian Jones; RMIT	Mark Daniels; Social Traders	Jo Barraket; QUT	Premier's Sustainability Awards 2011 (VIC)	Ethical Investor Awards	Jane Farago, Net Balance	IMPACT Au Report	FASES	Melina Morrison, SBA	Small Giants portfolio	*unwilling to participate
GoodStart Early Learning	Non-profit business model; took over ABC Learning Centres	Education, Family Services	Leeora Black; ACCSR	Elizabeth Ozanne; Melbourne University	Nina Howard, ST	Gov't office for the not-for-profits	Michael Liffman, Swinburne	Christian, TACSI	IMPACT Au Report	Small Giants portfolio	Toby Hall, Mission Australia		
STREAT Social Enterprise	employment pathways for homeless and disadvantaged youth 15-25 at cafes	Food	Jo Barraket; QUT	CSI Case Study Report	Cheryl Kernot, UNSW	IMPACT Au report	Emily Martin, SVA	Social Enterprise of the Year Award Shortlist	FASES	Small Giants portfolio	Toby Hall, Mission Australia		
Bank Mecu	Customer owned bank	Financial Services	Interntl Year of Coops Awards	Jane Farago, Net Balance	Amir Ghandar, CPA Australia	Hub filter	Belinda Drew, Forresters	FASES	Melina Morrison, SBA	Small Giants partner			

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Small Giants	impact investor	Financial Services	B Corp	UN Principles for Social Investment Award	David Rickards, SEFA	Brian Kurtz, Hub	HUB filter	IMPACT Au Report	HandUp Australia				
GPT Group			CSV Conference Melbourne 2012	Premier's Sustainability Award (VIC)	NSW Govt Green Globe Awards	Ethical Investor Awards	UN Global Compact	Melinda Leth, Net Balance	ACSI Sustainability Leaders		*Unwilling to participate		
CERES Community Environment Park	Sustainable environmental education centre	Environment	CSI Case Study Report--AU SE Examples	Premier's Sustainability Award (VIC)	UNAA award	Social Traders Case Study	FASES						
Foresters Community Finance	community and social finance	Financial Services	Jo Barraket; QUT (board)	Adam Carlon; DEEWR	Jane Farago, Net Balance	David Rickards, SEFA	FASES						
TOM Organic			B Corp	Mele-Ane Havea, Small Giants	Brian Kurtz, Hub	Hub Filter	IMPACT Au Report						
Yackandandah Community Development Company	Community and economic development	Economic Development	Jo Barraket; QUT	CSI Case Study Report--AU SE Examples	ST Case Studies	IMPACT Au Report	FASES						
Dumbo Feather	Magazine		B Corp	Mele-Ane Havea, Small Giants	Hub Filter	IMPACT Au Report							
Eaglehawk Recycle Shop	Recycling, Employment	Environment	CSI Case Study Report	Mindy Leow, Social Traders	Social Traders Case Study	FASES							
Barefoot Power	affordable renewable energy in dev countries	Energy	Ethical Investor Awards	David Rickards, SEFA	IMPACT Au Report	FASES							

Big Issue	employment for homeless via magazine sales	Publishing, Employment	Michael Liffman, Swinburne	Social Enterprise of the Year Award Shortlist	FASES	CSI Case Study Report							
Clean Force Property Services	Employment for mentally ill in cleaning services	Services/Works	CSI Case Study Report	Social Traders Case Study	Social Enterprise of the Year Award Shortlist	FASES							
Food Connect	local ethical food and catering with employment for disadvantaged	Food	Jo Barraket; QUT	CSI Case Study Report	School for Social Entrepreneurs	FASES							
Mad Cap Café	Café employing over 60% with mental health	Food	CSI Case Study Report--AU SE Examples	Social Enterprise of the Year Award Shortlist	Emily Martin, SVA	FASES							
Soft Landing	Mattress recycling, employment	Environment	CSI Case Study Report	Cheryl Kernot, UNSW	Toby Hall, Mission Australia	FASES							
Abbotsford Convent	Arts, culture, learning precinct	Arts, Media, Design	CSI Case Study Report	Social Enterprise of the Year Award Shortlist	FASES								
Australian ethical Investments	ethical super and managed funds	Financial Services	Ethical Investor Awards	UNAA Awards	FASES								
Beehive	Op shops and employment options for the elderly and	Employment Svcs	HUB filter	IMPACT Au Report	FASES								

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	disadvantaged												
Charcoal Lane	employment pathways for disadvantaged at a restaurant	Food	CSI Case Study Report	FASES	Toby Hall, Mission Australia								
Etiko			Mele-Ane Havea, Small Giants	Premier's Sustainability Award (VIC)	UNAA Awards								
HUB Australia			B Corp	Jane Farago, Net Balance	Brian Kurtz, HUB								
Nestle, Australia			CSV Conference Melbourne 2012	UN Global Compact	Cheryl Kernot, UNSW								
Net Balance			B Corp	Mele-Ane Havea, Small Giants	UN Global Compact								
Nundah Community	Employment to the disabled through cafes and parks/ maintenance	Employment Svcs	CSI Case Study Report	Social Enterprise of the Year Award Shortlist	FASES								
SEFA	social bank	Financial Services	Leeora Black; ACCSR	Adam Carlon; DEEWR	FASES								
Social Studio	refugee employment in fashion design	Fashion, Retail	Impact Collective	Social Enterprise of the Year Award Shortlist	FASES								

Social Ventures Australia	Consulting for NFP and Govt	Consulting	Elizabeth Ozanne; Melbourne University	E&Y Social Entrepreneur of the Year	FASES								
Stockland			Jane Farago, Net Balance	Cheryl Kernot, UNSW	Melinda Leth, Net Balance								
Thankyou Water	100% profits from bottled water sales to safe water projects	Food	Social Enterprise of the Year Award Shortlist	Emily Martin, SVA	FASES								
Who Gives a Crap	Eco-toilet paper with profits toward toilets and sanitation in dev. World		Christian, TACSI	Social Enterprise of the Year Award Shortlist	FASES								
Our Say	social media for participation in democracy	Advocacy	Brian Kurtz, HUB	Social Enterprise of the Year Award Shortlist	Handup Australia								

Appendix 5 Explanatory Statement and Consent Forms

This appendix provides a copy of the explanatory statement provided to all participants prior to participation in this research project. It also provides a copy of the consent form given to and signed by all interview participants as well as a copy of the consent form given to and signed by all focus group participants.

Explanatory Statement



1 August 2013

Explanatory Statement - Interviewees

Title: *Pathways to Sustainable Enterprise in Australia*

This information sheet is for you to keep.

My name is Erin Castellias and I am conducting a research project with Dr. Wendy Stubbs a Senior Lecturer in the School of Geography and Environmental Sciences towards a PhD at Monash University. This means that I will be writing a thesis which is the equivalent of a 300 page book, including several magazine/journal articles.

You are invited to take part in this study. Please read this Explanatory Statement in full before making a decision.

Why were you chosen for this research?

This study aims to contribute to the theory and practice of social and sustainable business by exploring the blended value (social, environmental, financial) practices of Australian businesses. Our study will explore the business activities or practices that deliver multiple forms of value, including social and/or environmental value and financial value. We seek the perspectives of CEOs, social/eco/sustainable entrepreneurs, sustainability managers, CFOs, and other executives and managers responsible for overseeing the strategy and design of blended value practices. We seek your perspectives on the activities and practices of your organization that deliver social/environmental and financial value. We obtained your details from your organisation's website.

The aim/purpose of the research

The aim of this study is to identify business practices or activities that can deliver social, environmental and financial value and the type of value that is created. I am conducting this research to find out how businesses are able to create multiple forms of value that can extend both to the organization and to other community beneficiaries or stakeholders.

Possible benefits

The outcomes of this study will complement international work on social enterprise, social entrepreneurship and sustainable business practices. It will assist commercially-oriented and enterprising organizations grappling with implementing social/environmental practices, programs and strategies. Research participants will receive a summary of the findings.

What does the research involve?

The study involves an audio-recorded interview and follow-up survey exploring your perspectives on blended value (social, environmental, financial)/sustainable business practices at a time and place that is convenient to you, within normal business hours.

How much time will the research take?

The interview will last approximately 1 hour. Surveys will take approximately 20 minutes to complete.

Inconvenience/discomfort

We do not anticipate any inconvenience or discomfort during the interview or survey, but you may choose not to answer questions and you may ask to turn off the audio recorder at any stage of participation.

Payment and ability to withdraw

This study is voluntary and you are under no obligation to consent to participation. However, if you do consent to participate, you may withdraw from further participation at any stage but you will only be able to withdraw data *prior to the publication of a report of the project*.

Confidentiality

Maintaining confidentiality is important. Your name will not be identified in the report or any other documents produced as an outcome of the research (such as journal and conference papers). All research material, including the audio recordings of the interviews, will be stored securely and will only be used by the researchers.

Storage of data

Data collected will be stored in accordance with Monash University regulations, kept on University premises, in a locked filing cabinet for 5 years. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report.

Results

If you would like to be informed of the aggregate research findings, please contact Erin Castellás on [REDACTED]

If you would like to contact the researchers about any aspect of this study, please contact the Chief Investigator:	If you have a complaint concerning the manner in which this research, MUHREC project number CF13/1160 - 2013000576 is being conducted, please contact:
Dr Wendy Stubbs Senior Lecturer School of Geography & Environmental Science Monash University Wellington Road Clayton VIC 3800 [REDACTED] [REDACTED]	Executive Officer Monash University Human Research Ethics Committee (MUHREC) Building 3e Room 111 Research Office Monash University VIC 3800 Tel: [REDACTED] Fax: +61 3 9905 3831 Email: [REDACTED]

Thank you.



Erin I. Castellás

Consent Form—Interviewees



Consent Form – *Interview Participants*

Title: Pathways to Sustainable Enterprise in Australia

NOTE: This consent form will remain with the Monash University researcher for their records

I agree to take part in the Monash University research project specified above. I have had the project explained to me, and I have read the Explanatory Statement, which I keep for my records. I understand that agreeing to take part means that:

I agree to be interviewed by the researchers ☐ Yes ☐ No

I agree to allow the interview to be audio-taped ☐ Yes ☐ No

I agree to make myself available for a further interview if required ☐ Yes ☐ No

I understand that my participation is voluntary, that I can choose not to participate in part or all of the project, and that I can withdraw at any stage of the project without being penalised or disadvantaged in any way.

I understand that any data that the researcher extracts from the interview for use in reports or published findings will not, under any circumstances, contain names or identifying characteristics.

I understand that, upon request, I will be given a transcript of data concerning me before it is included in the write up of the research

I understand that any information I provide is confidential, and that no information that could lead to the identification of any individual will be disclosed in any reports on the project, or to any other party.

I understand that data from the interview will be kept in a secure storage and accessible to the research team. I also understand that the data will be destroyed after a 5 year period unless I consent to it being used in future research

Participant's name

Signature

Date

Consent Form—Focus Group Participants



MONASH University

Consent Form – Focus Groups

Title: Pathways to Sustainable Enterprise in Australia

NOTE: This consent form will remain with the Monash University researcher for their records

I agree to take part in the Monash University research project specified above. I have had the project explained to me, and I have read the Explanatory Statement, which I keep for my records. I understand that agreeing to take part means that:

I agree to participate in a focus group, facilitated by the researchers ☐ Yes ☐ No

I agree to allow the focus group to be audio-taped ☐ Yes ☐ No

I agree to make myself available for a further interview if required ☐ Yes ☐ No

I understand that my participation is voluntary, that I can choose not to participate in part or all of the project, and that I can withdraw at any stage of the project without being penalised or disadvantaged in any way.

I understand that any data that the researcher extracts from the focus group for use in reports or published findings will not, under any circumstances, contain names or identifying characteristics.

I understand that, upon request, I will be given a transcript of data concerning me before it is included in the write up of the research

I understand that any information I provide is confidential, and that no information that could lead to the identification of any individual will be disclosed in any reports on the project, or to any other party.

I understand that data from the focus group will be kept in a secure storage and accessible to the research team. I also understand that the data will be destroyed after a 5 year period unless I consent to it being used in future research

Participant's name

Signature

Date

Appendix 6: Sample Memos and Notes

This appendix provides examples of notes and memos written during data collection and analysis as evidence of following rigorous qualitative procedures (see section 3.2.3).

Name: STREAT Notes on coding interview with [ST1] (STREAT NOTES)

27/02/2014 2:03 PM

Coding STREAT interview with [ST1]

Entrepreneur-Intrapreneur

In the first couple of questions to get background on [ST1], it became clear that she was a true entrepreneur and had characteristics or qualities that seem to fit my preconceived notions of an entrepreneur: someone who is "always building" and working with "zero resources" to make things happen by pulling different people, ideas, groups, resources together. So, I created a code on "entrepreneur". This also influenced my subsequent interviews and focus groups, where I became more curious about the 'entrepreneur' and made sure I probed a little bit on personal background.

Scale

It seems [ST1] is highly focused on the issue of scale. She mentions scale a lot in her background, referring to whether social enterprises, i.e. KOTO where she previously worked, can actually achieve impact at scale. She also refers to her own background and says that at CSIRO she was able to work in a large scale organization, so she can bring that to the table and understand how to develop projects at scale. It seems she is bringing her ability to understand scalability and scalable models from her science and management background as well as her personal arts passion projects and apply this experience to scaling up a social enterprise at STREAT.

Collaboration

[ST1] mentions that all of her previous entrepreneurial ventures and projects have required collaboration with groups that traditionally have not worked together or come from the same 'discipline'. She refers to her role as not only manifesting the idea but largely in being able to facilitate and influence disparate groups of people to come together to create something new.

Trans-disciplinary

This idea of bridging different groups across disciplines to create something new also speaks to many of the issues that may arise in this research where different types of value or perspectives may arise from different 'disciplinary' origins.

Complexity

[ST1] talks about how the problems we haven't solved are some of the most complex, which is probably why we haven't solved them. I think she is acknowledging that there are layers and relationships and interconnectedness or complexity in the social issues or problems of focus as well as components, i.e. the circumstances of the beneficiaries, as [ST1] mentions, "So, what

we're doing is assessing all of those things and trying to understand the level of complexity for this young person, and we're working on a six month case plan. So, what are the most critical things we need to get stabilized for you? And these things, you know, the reasons that you're unemployable, we need to, address them very quickly."...

So, she is saying that there is complexity at many levels that requires individual or personalized attention, which conflicts or can conflict with models that can be scaled. So, one of her central issues of wanting to create a scalable model to address any area of disadvantage is in practice conflicted by needing individual attention to understand the nuances and complexities of each individual young person and their circumstances that have led to homelessness.

Does complexity counteract scalability? The more complex a system, beneficiary, problem, social issue, the less likely a simple model can be developed and applied across conditions, beneficiaries, contexts, etc.?

Agency

I noticed that [ST1] talks about working with that young person to stabilize the critical factors they've identified. Reading this, I think, there must be a theme on how much agency a social enterprise gives their beneficiaries. Because one of the other 'traditional' charity or aid models is to take away agency from beneficiaries and just give one off donations rather than working with them or empowering them to develop their own agency, or rather facilitating conditions that help them transition from beneficiary to self-sufficient, independent agents in charge of their own future conditions. In this way, the transition or goal is toward a more sustainable 'solution' so to speak. It's the give a man a fish, he'll eat for a day, teach him to fish and he'll eat for life. When [ST1] talks from the beneficiary's perspective or how STREAT has designed rotations through businesses so the kids won't be scared working with new people or in a new environment, she is talking about building agency for them.

Sales and Marketing

I may want to link this node to business model or some other node. I was unsure what to call this, but it emerged when [ST1] talked about how the primary driver for customers, according to their customer survey, was convenience. Then, they retained customers based on price and quality. But, then they converted customers to long-term supporters based on mission. This makes me think that in the traditional marketing mix, where you have things like price, product, place, promotion, in social enterprises, you also have a dimension of impact that does factor into marketing, but maybe like STREAT it is not up-front as an attractor but more about retention and loyalty. What this really seems to be speaking to is the layers in a traditional business of attracting, retaining and converting transactions into relationships.

Relationships

That thought had me create a new node, called, 'relationships'. I think there may be a theme around converting transactional partners into more meaningful relationships because of impact.

Visibility of Impact

[ST1] talks about how customers can see the social impact because homeless kids are working at the cafes where customers purchase their coffee. I'm thinking that how 'visible' the impact is, whether social, environmental, or financial may be important. This has me think, if customers 'see' or feel the social or environmental impact, are they more moved or motivated by it? Do they

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connect quicker, more? Equally, if a senior decision-maker, say a CFO, 'sees' the financial impact of an environmental operational improvement as opposed to it being buried in budgets as a small line item, are they more likely to then support/decline those and future initiatives?

Value Proposition

As [ST1] talks about her corporate catering customers having low expectations and being surprised by using the word, 'actually,' as in 'actually, it was pretty good,' she is reinforcing a message she's been saying that their value proposition has to be on par with traditional businesses, without a social mission. This is saying, they have to offer good quality product and service at a good price in a convenient way, but the mission or impact is secondary to their customers.

Other thoughts

[ST1] talks about how by quantifying the impact and linking that to customer spend, particularly in the catering business, corporate customers can link it to their CSR agendas. She even notes that she wrote one of their annual reports and put the social impact via procurement with STREAT as an outcome their customers are helping to create.

Language and Terminology

[ST1] quantifies impact for GPT based on 3 sq. meters, puts impact into the language of relevance for her corporate customer. She understands that she needs to make it meaningful to them, so she takes their relevant language, their perspective.

Business Model and Scale

So, [ST1] talks about their model being a high volume model to do a short, sharp intervention. But again she talks about how hard it is because she refers to the challenge of scale in this type of model. She also refers to how they are tackling the hardest part of the intervention and then letting their beneficiaries go on more job-ready somewhere else. So, they are always starting over, so to speak, which must bring challenges like exhausting certain staff or being a model that requires constant energy and commitment without being able to personally reap the rewards but relying on personal satisfaction, knowing they helped x kids get off the street, that needs to be enough to keep everyone going. This must be extremely challenging, and I wonder how else they might incentivize or recognize a group of committed staff that may be more prone to burning out?

Communications

In coding responses to question 10.2 on marketing and communications, I developed a node "communications" to cover communications practices and strategies or how organizations are engaging with and communicating with different audiences or stakeholders.

Stakeholders

I also see how [ST1] describes how they clearly know who their audiences are and note that they are distinct stakeholder groups with different interests and languages. It seems really smart to me that STREAT acknowledges these differences and has developed a system in their social media strategy to speak to each of these different stakeholders.

Sector building

I developed a node on 'sector building' which I may end up moving under 'collaboration.' [ST1] mentions speaking at a lot of conferences to represent the social enterprise sector and speak about impact. I think that as a young and emerging 'sector,' many of these early pioneers and entre/intrapreneurs are likely spending significant effort on building the sector to garner more resources, achieve more impact, and legitimize their models. Maybe a follow up question is to ask why entre/intrapreneurs spend time and resources building the sector.

Social enterprise

I realize that I may be skipping some very basic codes, like social enterprise, because it seems so obvious to me being so involved in my own research. However, when [ST1] mentions the power and possibilities of the social enterprise model and states that they want to catalyse this sector to see social enterprises transacting with each other and linked together to provide solutions to their customers and beneficiaries, I think 'social enterprise' is a distinct model that needs to be explicitly acknowledged.

Social Inclusion-Exclusion

I'm wondering given that my population of cases are organizations that explicitly are trying to generate social and/or environmental value how much this mission of 'social inclusion' or addressing the issue of 'social exclusion' will arise in my cases. In fact, I'm going to develop a broader node that captures the social issues that cases are addressing. I think this would fall under 'purpose'.

Social Issue

See note above to capture what social issues organizations are trying to address.

Environmental Issues

A node emerges when I ask [ST1] about their core offering and whether they integrate social or environmental policies or initiatives around their food/drink. She goes straight to environmental considerations, noting that they think about their supply chain. So, I develop two new nodes, one to capture how organizations are looking at the environmental dimension and 'supply chain'.

Supply Chain

See note above.

Decision Matrices

I find it fascinating that [ST1] starts talking about all of the things they consider when looking at their supply chain...everything from organic to local to packaging to fair trade etc. So, they struggle with, when weighing up different social and environmental criteria in their food supply, is organic better than fair trade or does local trump organic? This is something I hadn't really considered. When there are plural social and environmental dimensions that affect something like a decision your managers have to make, how do you clearly communicate as an organization what value you are prioritizing, what issue do you care most about, what is most important? I think this reflects a very sophisticated level of thinking about the complexity of social, environmental, and financial issues. That is, at what point is one of these more important than another if you can't meet all of the criteria? Wow. This really speaks to the levels of complexity when you want to do more than just maximize one dimension, i.e. cost savings. When you're

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trying to be a more 'sustainable' organization, when you are trying to maximize all types of value, there appears to be an inevitable 'trade-off' involved even within social or environmental value maximization. In what way?

Core Offering

A node that captures what is being done around core products and services.

Trade-off

Following from 'decision matrices,' I wanted to capture this sense that there is some trade-off alluded to by [ST1] as she talks about how to best guide procurement in their supply chain, which criteria are most important, meaning others have to be left on the table. If you can only choose between local ham and organic ham from overseas, what is better? If you have suppliers offering organic but unknown labour condition coffee beans and fair trade but non-organic coffee beans, which is better? And how does cost come into this? I'm really curious to find out how their Melbourne business school intern helped them come up with a decision matrix. **Follow-up**

Other thoughts

As I code [ST1]'s transcript, I can feel her passion, her leadership. She is thinking through how to take the pain out of decision making for her team. She doesn't want her team struggling on how to make an ethical decision when social, environmental, and financial dimensions are in tension with each other, so she understands that rather than just say they are trying to maximize each of these types of value, what does that mean in practice? What does that mean for her chefs? This is the level of detailed thinking that really shows how she as an entrepreneur is shaping her organization and meeting the challenges of bridging aspirations to practice, the crux of my research question...how do you get from aspiration to outcome? I think this example of the decision matrix really illuminates something for me, that the complexity and inherent tensions that exist in this dynamic system where multiple values are being pursued will force trade-offs. So, while an organization can genuinely pursue social impact, for example, this pursuit will inevitably beg the question, what type of social impact, and more specifically, in very specific practices within your day-to-day operations as well as at a strategic level, what do you care about? What are the social and environmental issues you really care about? What will be prioritized? At what level is one dimension more important than another? What are you trying to maximize? It seems like [ST1] is very clear about their purpose being to address youth homelessness. But, she also wants to change the system and offer a better structure for responding to the many social issues, so you can see how social and environmental values pervade each and every decision across the way they operate, commercial business decisions (i.e. procurement), etc. This is what I was hoping to see when I started my research. How are organizations really integrating these values across every dimension of their business from their core mission to their procurement strategies to their core offering? Exciting.

Capacity and Skills

[ST1] refers to having strong business capacity whereas many social enterprises want to change the world but don't have the business savvy. So, I think acknowledging the skills and capacity of organizations is important to examine.

Strategy

When [ST1] talks about how a traditional business or charity would get rid of the margins, she talks about how STREAT keeps less profitable cafes for social impact and a profitable roastery that has no social impact but helps with financial performance through the supply chain. She's talking about how strategic decisions are made based on trying to balance and deliver multiple forms of value.

Ecosystem and Partnerships

[ST1] responds to my question about ecosystem and partnerships, and so I want to track how my cases are undertaking practices that speak to this. What are they doing? How do they see 'competitors'? Who else do they work with and how?

Finance

Again, one of my questions is around what cases are doing that help them generate financial value? What are their practices? Are they more traditional commercial business practices? Is there more rigour, less rigour? Is it different because of their social orientation?

Other thoughts

It strikes me that STREAT's practices around finance are about tracking and measuring, which most organizations who are financially diligent and profit focused do. So for finance, the practices really are about quantitative measurement, budgeting, monthly reporting, etc. However, it will be interesting to go back and review answers to track what are the actual practices in the social and environmental dimensions. For example, I recall the environmental practices were really about setting value priorities, creating a decision matrix, and creating a decision matrix to prioritize environmental criteria in procurement decisions. The other practice is around integrating environmental technologies or efficient practices in their buildings and operations. For social, it's about moving their homeless kids toward more stability along their social issues scale. But, I'd like to go back and see how these different types of practices compare.

Governance

I create this node to capture responses to my question on governance.

Legal Form

[ST1] starts talking about how they have a non-profit parent company with a particular legal form and a for-profit subsidiary to obtain equity investment because non-profits in Australia can't receive equity investment. I wonder about why different legal forms are chosen in a blended value organization. If they are for-profit, does it necessarily mean they are less focused on social outcomes, i.e. more interested in private capture of profits? Does this matter if such a social surplus is generated? Who does it matter to? Investors, for example? What legal forms do they want to see?

Policy

I create this node to track what may inform policy makers about what these types of companies are finding limiting, like legal form, or what they may find helpful.

HR and Workplace

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I create a node to capture responses to my question about HR and workplace. What I want to know is social issues directed internally as well at staff development, flexibility, satisfaction, retention? What sorts of practices take place to create a better workplace?

Other thoughts

It's interesting when [ST1] talks about wanting to move to incentives but they again grapple with how to make this fair when you could set financial targets on those focused on that but struggle how to compare that to the social team and across sites who have different contexts and possibly different target outcomes. So you see the values tension and measurement issues also arise in business decisions, like HR practices where you want to incentivize your staff but struggle to find the right system to make this fair and acknowledge performance across different types of indicators (social, financial).

Wages

If organizations are willing to talk about this, I'd like to know whether staff is paid better, worse or the same as industry standards, is this a staff incentive? If higher than average, is this a deliberate retention strategy? Is it a part of a social mission directed internally? If lower than average, what other incentives are motivating and retaining staff? It seems natural that this sits under HR.

Retention

Again, I think retention is an indicator of what kind of environment internally or workplace is being created, so a node is created under HR. Do my cases have better retention rates than industry standards? Do they tend to do a good job retaining people? Is this because of their social/environmental mission? Is this part of their social orientation?

Name: GOODSTART Notes on coding interview with [GS1] (GOODSTART NOTES)

14/05/2014 1:19 PM

Indicators or Outcomes

I realize that I use this language when I ask [GS1] about what social issues they're focused on. Because I didn't use this language with other cases (I don't think), I'm not sure I'll get a lot of responses that I would categorize as 'indicators', but maybe 'outcomes' as this is something I'm very interested in. I'm going to group this under 'Measurement' because it's something their tracking. In the case of Goodstart, they're tracking vulnerable populations of children, Aboriginal/Torres Strait Islanders and rural populations. So, they're tracking their enrolment and their development (according to the AEDI).

Core Strengths

I decide to rename "capacity and skills" to "core strengths." This is because I see Goodstart is investing in capacity building of their staff to better help children (achieve their mission), so I

want to reorganize "capacity building" under HR in "Practices." When I reviewed what I had already put into this category of "core strengths" (previously 'capacity and skills'), they looked to be what an organization is good at, so I think 'core strengths' more accurately reflects this node.

Capacity Building

As I mentioned above, I'm creating a new child node 'capacity building' under 'Practices' under 'HR' to capture how organizations approach investing in upskilling their staff or building capacity within an organization.

Advocating

I create this node under 'practices' to capture how Goodstart is advocating on behalf of vulnerable groups and as well as their sector to gain policy support from the government. I see this as a unique activity and wonder how many others are 'advocating' for their cause or population.

Weaknesses; Listening; Legal Form; Reputation and Brand

I just coded a particular passage, "One of the other interesting ones I've just learned about is because we are a not-for-profit now, that's working against us in our families' perceptions because they're now expecting that money that used to go to shareholders will now be invested in my centre. So, when they're seeing a playground that needs overhauling or rooms that need repainting and that's not happening, they're saying, you know, where are, where's the money going if you're a not-for-profit now? And, so, there's a mis-alignment from the things we think are the priorities to lift the capacity of the organization right now, which is largely the skills and capabilities of our staff and the early learning practice, versus what parents might think is the next thing to be invested in in a particular centre."

I think it's interesting that the change in legal form has really shifted expectations and created a new tension in expectations between families (customers and beneficiaries) and Goodstart (service providers). It's partly a problem of scale; where the strategic focus of the organization as a whole might be about prioritizing capacity building before individual centre infrastructure; whereas individual families may not see that. It may also then be an issue of communication or a weakness...does this mean that Goodstart is not effectively communicating where it is spending its resources and efforts or communicating to beneficiaries where the resources are going. It sounds like there is scepticism and an issue of reputation, brand, and trust that needs to be overcome. Perhaps as well there is a gap in 'listening' to their beneficiaries to see what they feel is important and then respond to that? I might code this to a new code 'weaknesses' and create a parent node 'Strengths and Weaknesses'. Although, ideally I could do this for those strengths and weaknesses of which they are aware, not necessarily through my interpretation. So, I think maybe it's unfair to ascribe this as a 'weakness' and I will not create the code now...unless [GS1] had acknowledged this as an organizational weakness (i.e. not listening to their beneficiaries)...well, I might code it anyway and then sort through it later when all my data are in and I can analyse it together.

Competition

I've coded a passage from [GS1] on how they're grappling with supporting charitable causes for their employees, like employee fun runs. While she feels that as an organization, they like to view competition from other early learning service providers as collaborative in meeting the needs of families/children, they see other social causes as competition. While she acknowledges some in

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the organization want to see commitment to employee causes by showing they care about what employees' care about and see it as an employee engagement strategy, she doesn't believe as a non-profit they should support other causes. She cites the issue of scale in how then the employees expect some support; whereas if they were scrambling for funding, they likely would not be expected to contribute to external charitable causes. I wonder about this though, because the 'blended value' thing would seem to me be also about creating value for your employees by not only focusing on external mission but also clearly define how to create internal value (social, environmental, financial). I think it's a trap a lot of non-profits fall into; focusing on external mission and neglecting the internal culture or social needs within an organization.

Cause and Effect

I create this child node under 'Measurement' because I can see this is a real issue to determine what activity or practice is leading to what outcome? [GS1] talks about knowing some things are 'directionally better,' but whether it's both an issue of correlation vs. causation and the size of the impact that she's saying they are grappling with. I think many of my cases would be struggling with this exact issue. If they do this, will that be better than doing that? It's how do they make decisions on what activities will be better. It's how do they justify resource allocation. How do you know what is leading to the best outcomes and most efficiently or powerfully?

Evidence

I create this node under 'measurement' because I can see that sometimes this might be called the business case for making an investment or allocating resources, but in this case, what [GS1] is saying is if there is undeniable evidence that investing in certain practices would lead to social outcomes they're seeking, then without a doubt, they would invest in those. So, this is not just for business cases but also for the social case..it's about evidence that there is some type of value being created here and that it can be linked to the thing you're investing in: program, activity, company, etc.

Mission Alignment or Shared Values

I put this under 'HR' to capture how employees might be getting the benefit or 'value' from 'mission alignment or shared values.' This is the type of reward or intangible that non-profits often experience and can attract or retain staff because of this mission fulfilment or alignment with personal values that can serve as a value add or value offset/trade-off to other working and cultural conditions (i.e. lower wages).

Value 'Model' (models 1, 2, and 3)

I realize that when I'm coding [GS1]'s interview that I only present her with one value model, the continuum or trade-off model I found in my literature review from Alter, 2004. It was only after I conducted my focus group with Small Giants when I came across model 2, the value quadrants model and in my interview with Mark Joiner from NAB when I thought about model 3, the ripple effect model. As I continued collecting data, I then began presenting these models. So, I thought it would be important to capture which model each participant is referring to. To date (16 May 2014), I've been thinking through my data through each interview, focus group, transcription and coding session, and my thoughts are value models is shifting real time. My last conversation with Bec Scott from STREAT via email prompted me to revisit my thoughts around value models. Bec sent me a diagram she drew after reflecting on our STREAT focus group that was circular and spoke to a 'virtuous circle' with the 3 points of people, planet and profit. I wrote her back my

thoughts about making model 2, the value quadrants model, and 3 dimensional by separating out social/environmental. I also think there is something right about the circle and positive feedback, but I think in a 3 dimensional space, you can capture both shape and size. But I think that objective quantitative measures are problematic, so one way to look at it is a 'feel' scale or a subjective score to indicate value on each axis. I also think there is unique value created in the intersection between these 3 'pillars' and like the universe; many dissections of 'value' within each point or pillar (i.e. social value--relationships, trust, goodwill, well-being, productivity, retention, innovation, etc.). This is something to revisit in later stages of data analysis, both before and after the survey. However, for now, I want to capture these notions of 'blended value' in the different models participants are using, hence models 1, 2 and 3. I probably need to go back and code [ST1], [SG6], [NAB6], and [BM4] for these?

Gap between aspirations and practice

I create this node because it strikes me that I ask this question of all of my participants and [GS1] clearly answers that there is a gap between where they would like to be and where they are. So, I think it's worth creating a node to capture this.

Business models (under 'Practices' node)

(Value) Marginalized employment model

[GS1] talks about this model in a very 'blended value' way, in why they are seeking long-term unemployed to fill a difficult employment niche, connect to communities in which they serve, and help those who are struggling to get employment.

(2) Under-served markets

Coming from the Prahalad and Stuart Hall was it?...the bottom of the pyramid or marginalized customers or under-served markets model, here [GS1] talks about how it's a factor in where they open centres.

(3) Customer as Beneficiary

Because Goodstart is hoping to benefit children and families, their customer is also their beneficiary.

Additional Services (under 'core offering')

I create this code when [GS1] talks about their social inclusion budget and investing in things like additional meals, an evening meal, to support a certain centre where there appears to be financial vulnerability and a need to further support their families. They might also invest in a speech pathologist to support a child. So, while it is a 'finance' category practice, it's also about creating or partnering with others to provide additional services under the umbrella of their core offering to support their beneficiaries. I'm starting to see how many of these case studies are 'beneficiary centric'. However they define their beneficiaries, they want to find the best way to deliver the most benefit (not really value) to that group...for Bankmecu it's their customer/owner; for STREAT it's their homeless kids; for Small Giants it's about making the world a better place; for Goodstart it's Australia's children. I want to clarify with Ceres and NAB who their beneficiaries are.

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Name: BANKMECU Notes on coding Focus Group (BANKMECU)

29/05/2014 12:00 PM

Level of Analysis

[BM3] says the value model exercise is difficult because if you think about how value is created at one level (i.e. team level or initiative/project level) it seems one way, but as a whole organization (organizational level), it's different. I started to see this theme emerge in my focus groups in particular. It speaks to me needing to be clearer in asking for what level I'm asking them to analyse, but also to the layers of complexity in the way that value is created. [NAB4] and [NAB3] from NAB also talked about this, but I hadn't developed this code yet. They talked about how their community finance team was oriented differently to their corporate responsibility team, which was oriented differently again to the organization as a whole. Here, I hear [BM3] saying the same thing but also about particular initiatives, how they might be designed to create a particular type of value to 'offset' or balance other types of value created in other areas or initiatives that then contribute to a broader organization-level of analysis.

Notes on coding

I recall coding [BM5]'s interview yesterday. He was saying the same thing [BM3] is saying. They're trying to frame value is non-divisible, as total value, as 'blended value' really. They don't want to say that financial value is the primary value, although they acknowledge the need to be financially sustainable and/or prove the model by attaining a certain level of profitability. It seems that they are saying when they generate financial value; they want to know how it also generates other types of social and environmental value, so that it's more in line with the type of value they're striving to create. In one sense they need to balance some products or activities with others to 'offset' and create a more whole balanced type of value, so they do know it's divisible in practice, at least in some instances. However, through their approach of not divorcing one 'offset' activity from another or by recreating products where the 'offset' is built in, they are striving to generate blended value in certain activities. A good example of this is their go-green car loans where you get a lower rate for a cleaner car. Same with the new build construction loans that are tied to the land bank. While this is patching together two things to assemble a more holistic notion of value (which then has ripple effects of both hybridized and single forms of value for other stakeholders), the intention is to generate blended value in one approach. Does it matter if blended value is created through patched together initiatives meant to balance the whole notion of value? Is it somehow better, more sustainable, in the DNA or something if in and of itself, one activity or practice offers blended value...more total value for more stakeholders? I feel like I'm going down the rabbit hole on this one. I need to take a step out and look at the transcript again without getting lost in micro details of analysis at this point.

Inputs

I revisited my research questions today and realize I've not been thinking much about what my participants are saying about the broader system and why resources are being redirected from traditional spheres of the economy to hybrid models. I have really looked at 'motivation/drivers' as some of those enabling conditions, but I also want to capture anyone talking about inputs, as [BM3] does here talking about the IIRC five capitals model.

Notes on value models and value orientation

It's really interesting to me that [BM3] is pretty adamant that value shouldn't really be divisible, even as I push her twice to clarify if economic value is the most important, even in a hybrid value context, but that she choose model 1, the value tension or trade-off model as her reflection of Bankmecu. I wonder if this is just because it's the easiest to read and digest as well as the existing paradigm or whether it's because the models are somewhat unclear or if it's because although she sees value in general that way, she just sees them balancing it in the middle, even though it is indeed a trade-off. Maybe I should have a call with her to clarify?

Notes on Bankmecu

They tell the story how they were founded in the 1950s by CSIRO scientists struggling to get mortgages, which then pooled resources and set up a cooperative bank. Somehow after a three way merger, they lost sight of their principles and values and asked themselves what their value proposition was? The decision was to close the bank, hand the money back to customers or to come up with a relevant value proposition. So, they looked at cooperative principles and tried to locate Bankmecu in today's relevant social issues, which led them to sustainable development and then engaging with their customers/owners about what it is they care about. In many ways, the redirection toward redefining value to encompass values stems from their need to articulate their value proposition and examine what they were about, their purpose.

Target Market

[BM1] talks about how they shifted from an industry and geographic focus to a values focus. Their 'target market' is about values alignment. This is a very distinct practice or strategy to define your target market as customers who have shared values.

Forum

This may end up getting merged with 'listening,' but it is distinct at Bankmecu to not take it all in, but just provide a forum for customers to have a conversation with one another. So, it may not be about a message back to the bank or to be acted upon...it's not always an act of listening, but allowing the customers to communicate, providing a forum and space for them to say what they think is important. This is illustrated in the example about when they put out an article about gardening, and the customers debated with one another whether or not a bank should be putting out a gardening article. Some felt it was great because it's a customer owned bank and some customers are interested in gardening. Others felt, why is a bank talking about gardening? Either way, customers had a chance to voice these perspectives. They had a forum to communicate.

Identity

The other interesting thing about the gardening article example at Bankmecu is that some customers felt that because the bank was writing about something in which they were interested, it was relevant for a customer owned bank to do. I think this is really about 'getting me' or identity. There's a lot of discussion in business these days about being customer-centric and the whole 'I' or 'me' generation. As a customer-owned bank, there seems to be more notable identity issues tied to purpose and value proposition, because they are a reflection of customers' values. I think this works both ways. Identity for customers to see the organization as a reflection of them or their values in some way and identity for organizations to say 'this is who we are,' and feeling like customers or stakeholders get it. Identity must be tied to purpose.

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Getting It

I'm not sure what the best way to say this is...but what [BM4] is talking about is being clear and consistent in their communications so that people 'get it,' so that they understand the model, they understand the value proposition. This is a distinction between communicating and communicating effectively so that those you want to communicate with understand what you're trying to say. In particular, with Bankmecu's model, first that they are customer-owned and secondly what that means...i.e. pricing benefits, values based initiatives, etc.

Internal Comms

I develop this node under 'practices' and 'communications' because what the group seems to be saying is that not everyone at the bank would feel the same way that this group does. Although I haven't coded NAB's focus group yet, I recall them saying the same thing. So, if you were to engage a teller or business banker, they might not be on the same page or 'get it' the way those who work on sustainability do. However, in this group, [BM1] sits in marketing, so not in a social or sustainability focused role; however, he has been with the bank for over 17 years, so seems to feel he knows the story, the values, the mission, etc. I set this up to reflect that internal communications may not be as strong as external communications. In some ways this may be reflected by the 'external value' or 'mission' and how that stacks up to the 'internal value' or categories that would reflect that, like the HR categories, operations, etc. It may be interesting to take a look at that question, 'for whom' is value created. I'd be really interested to link this to the legal form or business model to see. From practical experience I would hypothesize that non-profits tend to create value for those external to the organization, in some ways leaving the internal organization vulnerable (i.e. funding shortages, burn-out and turnover of staff, etc.) and that for-profits tend to create value for those internal to the organization. So, what about hybrids, co-ops, social enterprises? Are they more focused or wired to create value for one group or another or are they really straddling that line? What if I did frequency coding or statistical analysis to see legal form versus 'internal' value references and 'external value references? Maybe that's a future research project?

Learning

I create a 'learning' node under 'practices' to reflect how Bankmecu is hosting forums to exchange knowledge and information across leaders in the sector. I know that many of my case studies do this. They all offer to speak at forums, host forums, organize forums to understand this space more and take a leadership position in sharing knowledge and learning across these issues.

Risk Management

I find it interesting that the bank has disbanded the sustainability committee to move those issues into risk management. Why are they about managing risk, especially if the bank wants to redefine value?

Appendix 7 Code List

This appendix provides a comprehensive list of codes exported from Nvivo to illustrate the codes, categories and themes were derived during data analysis (referred to in section 3.3.2).

Code List Exported From Nvivo

Name	Sources	References	Created On
Agency	11	18	27/02/2014 2:46 PM
Belonging	5	15	23/09/2014 1:01 PM
Beneficiaries	13	50	27/02/2014 3:05 PM
Business Case	2	8	28/05/2014 12:17 PM
Cases	0	0	6/11/2013 12:23 PM
Bankmecu	10	129	6/11/2013 12:24 PM
Ceres	2	7	21/05/2014 1:50 PM
Goodstart	5	111	6/11/2013 12:24 PM
GPT	0	0	6/11/2013 12:24 PM
Hepburn	0	0	6/11/2013 12:25 PM
NAB	47	677	6/11/2013 12:25 PM
Small Giants	9	106	6/11/2013 12:25 PM
STREAT	20	125	6/11/2013 12:25 PM
Clarity	1	2	22/09/2014 10:54 AM
Co-Creation	3	5	19/09/2014 1:19 PM
Cognitive Dissonance	3	10	21/09/2014 2:06 PM
Commitment	2	4	28/05/2014 2:14 PM
Competition	11	22	3/05/2014 4:14 PM
Complexity	13	58	27/02/2014 2:37 PM
Connecting the dots	1	3	29/09/2014 10:33 AM
Continuum	2	8	20/03/2014 1:22 PM
Corporate Social Responsibility	2	2	19/09/2014 1:57 PM
Customers	14	73	27/02/2014 3:08 PM
Economic Issues	5	25	20/03/2014 12:57 PM
Enlightened Self Interest	4	10	19/09/2014 12:10 PM
Entrepreneur-Intrapreneur	7	42	27/02/2014 2:07 PM
Borrowed model or vision	2	2	7/05/2014 4:22 PM
Environmental Issues	5	19	18/03/2014 7:54 PM
Failure	2	2	22/09/2014 11:12 AM
Feel Good Factor, Story	1	1	19/09/2014 2:31 PM
Financial Maximum-Enough, Upper Limits	4	22	7/05/2014 12:49 PM
Financial Minimum-Viability, Stability, Profit	11	25	21/05/2014 12:30 PM
Follow up items	6	14	3/05/2014 1:17 PM

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Gap between aspirations and practice	17	35	16/05/2014 1:41 PM
Getting It	2	5	29/05/2014 2:22 PM
Goals	11	21	7/05/2014 1:15 PM
Identity	2	13	29/05/2014 2:01 PM
Inputs	1	2	29/05/2014 12:42 PM
Intangibles	7	9	7/05/2014 3:10 PM
Interview Participants	0	0	6/11/2013 12:21 PM
Interview Questions	0	0	6/11/2013 12:21 PM
Intimacy and Trust	5	7	7/05/2014 4:30 PM
Intuition	6	12	7/05/2014 3:10 PM
Investors	14	27	27/02/2014 3:07 PM
Impact Investing	7	12	27/02/2014 3:07 PM
Shareholders	4	11	19/05/2014 2:25 PM
Language and Terminology	11	33	14/03/2014 2:55 PM
Shared value	11	21	3/05/2014 2:59 PM
Social Enterprise	8	15	18/03/2014 7:36 PM
Sustainability	4	6	3/05/2014 2:56 PM
Legal Form	10	24	19/03/2014 2:09 PM
Level of Analysis	4	8	29/05/2014 12:08 PM
Love	2	4	24/09/2014 2:19 PM
Morality and Ethics	6	9	24/05/2014 10:55 AM
Motivation and Drivers (Why)	17	66	3/05/2014 4:10 PM
Enabling Environment	4	4	24/09/2014 3:26 PM
Right thing to do	3	10	2/06/2014 3:26 PM
Risk Management	6	7	19/05/2014 2:29 PM
Passion	3	3	21/09/2014 1:49 PM
Policy	6	10	19/03/2014 2:14 PM
Practices	7	26	6/11/2013 1:02 PM
Advocating	2	6	14/05/2014 1:57 PM
Business Model	17	57	27/02/2014 2:31 PM
Collaboration	16	56	27/02/2014 2:12 PM
Communications	17	69	18/03/2014 7:18 PM
Community	15	39	18/03/2014 7:50 PM
Core Offering	15	45	18/03/2014 7:59 PM
Ecosystem and Partnerships	17	104	19/03/2014 1:56 PM
Environmental Initiative	8	29	2/05/2014 2:45 PM
Facilitating, Leveraging, Empowering	5	9	22/09/2014 5:36 PM
Finance	15	65	19/03/2014 2:02 PM
Governance	11	30	19/03/2014 2:09 PM
Hard wiring the system	6	11	24/05/2014 2:00 PM
HR and Workplace	18	64	19/03/2014 2:21 PM
Incentives	6	12	14/03/2014 2:56 PM
Leadership and Management	15	63	3/05/2014 3:24 PM
Learning	10	26	2/06/2014 10:14 AM
Listening	13	41	3/05/2014 2:04 PM
Marketing and Sales	2	13	14/03/2014 2:20 PM
Measurement	20	82	27/02/2014 3:01 PM
Operations	9	14	2/05/2014 2:42 PM

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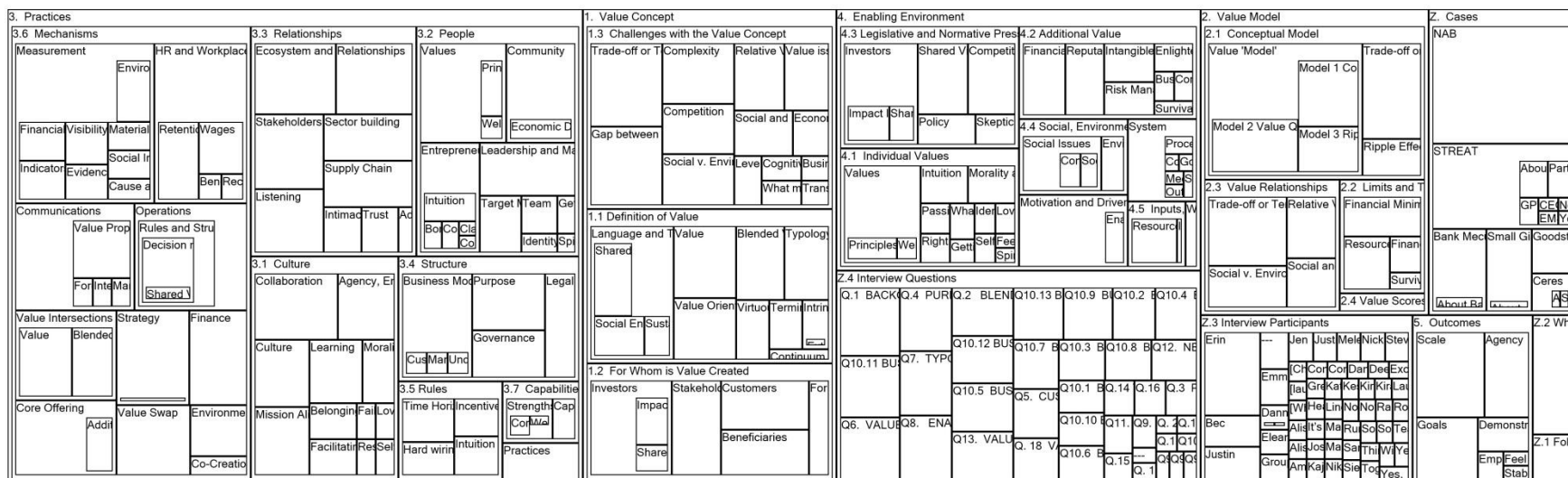
Relationships	16	78	14/03/2014 2:28 PM
Sector building	12	36	18/03/2014 7:26 PM
Strategy	18	55	19/03/2014 1:51 PM
Supply Chain	12	20	18/03/2014 7:54 PM
Target Market	7	10	29/05/2014 1:54 PM
Value Conversion, Value Swap	14	48	2/05/2014 2:46 PM
Purpose	13	76	27/02/2014 2:29 PM
Relative Value and Values	10	29	7/05/2014 2:31 PM
Reputation or Brand Value	10	19	3/05/2014 2:36 PM
Resource Constraints	9	22	27/02/2014 2:14 PM
Respect	2	3	22/09/2014 5:47 PM
Ripple Effect Model	7	10	20/03/2014 1:15 PM
Scale	17	80	27/02/2014 2:08 PM
Self-Belief	2	5	24/09/2014 2:30 PM
Shared Vision, Movement, Societal Transformation	12	45	7/05/2014 12:12 PM
Scepticism	4	12	28/05/2014 12:51 PM
Social and Financial	8	28	19/05/2014 2:16 PM
Social Issues	8	23	18/03/2014 7:44 PM
Context for Social Issues	5	12	18/03/2014 7:48 PM
Social Inclusion-Exclusion	4	9	18/03/2014 7:41 PM
Social v. Environmental	11	15	7/05/2014 2:40 PM
Spirituality	1	6	22/09/2014 11:07 AM
Stability	1	1	29/09/2014 12:37 PM
Stakeholders	15	52	18/03/2014 7:21 PM
Strengths and Weaknesses	2	5	14/05/2014 2:16 PM
Core strengths	4	7	18/03/2014 8:34 PM
Weaknesses	2	2	14/05/2014 2:16 PM
Survival	2	5	19/09/2014 1:08 PM
System	8	16	6/11/2013 1:03 PM
Context	1	3	6/11/2013 1:03 PM
Goals (aspirations)	1	10	6/11/2013 1:04 PM
Mediation (relationships)	1	4	6/11/2013 1:04 PM
Outcomes (as opposed to goals)	1	1	6/11/2013 1:04 PM
Process	2	4	6/11/2013 1:04 PM
Subjects (actors, inputs)	1	3	6/11/2013 1:03 PM
Team	4	5	28/05/2014 10:33 AM
Time Horizon	8	10	3/05/2014 3:09 PM
Trade-off or Tension	18	98	18/03/2014 8:06 PM
Trans-disciplinary	2	5	27/02/2014 2:12 PM
Trust	5	8	24/05/2014 1:37 PM
Typology	10	22	6/11/2013 1:01 PM
Value	14	40	6/11/2013 12:57 PM
Blended Value	11	38	20/03/2014 1:09 PM
Extrinsic Value	1	1	22/09/2014 12:01 PM
For Whom is Value Created	6	26	2/06/2014 12:20 PM
Intrinsic Value	3	4	22/09/2014 12:01 PM
Terminology	5	9	6/11/2013 12:58 PM
Value issues	9	21	6/11/2013 12:59 PM

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Value Orientation	12	49	6/11/2013 12:58 PM
Value 'Model'	20	41	16/05/2014 12:45 PM
Model 1 Continuum or Trade Off	16	40	16/05/2014 12:46 PM
Model 2 Value Quadrants	18	33	16/05/2014 12:45 PM
Model 3 Ripple Effect	11	22	16/05/2014 12:45 PM
Value Proposition	12	33	14/03/2014 2:41 PM
Value Scores	1	2	22/09/2014 5:31 PM
Environmental	1	5	22/09/2014 5:32 PM
Financial	1	5	22/09/2014 5:32 PM
Social	1	6	22/09/2014 5:32 PM
Values	18	93	20/03/2014 1:01 PM
Principles	5	10	3/05/2014 3:03 PM
Well-being	2	2	24/09/2014 9:52 AM
Virtuous Circle	6	13	28/05/2014 11:37 AM
What could be done to create more value	2	12	23/09/2014 12:49 PM
What makes this special	3	8	7/05/2014 3:42 PM
What they're thinking about	15	48	3/05/2014 2:25 PM

Node Map by Number of References

Nodes compared by number of items coded



Appendix 8: Hybrid Value Practices

This appendix provides a long list of 200 hybrid value practices coded from participant responses (referred to s.7.2), and a table that illustrates coding these practices.

Case	Code Category	Code	Title Practice	Practice Description
BM	Culture	C2	Employee benefits: Work life balance	Staff are encouraged to have work-life balance and are discouraged from staying past 5pm.
BM	Culture	C3	Values: Meaning of success	"for us, prosperity, it's not just about financial wealth. It's about increased community resilience and a safe, healthy planet"
BM	Culture	C3	Values: Values-driven Employee Engagement	By integrating cooperative principles and customer values into the fabric of its business, bankmecu has identified that employee engagement is a key value-driver ("the driver of productivity is the opportunity that staff have to contribute to our overall business approach to responsible banking" [A5]), and, as such, an area which requires focus and investment. Aside from engaging employees with its social and environmental programs, it also offers competitive wages: "We always pay in the top quartile, no matter what the position is" [A5].
BM	Culture	C5	Staff relationships	Participants identified that the bank could improve its maternity leave policy and offer more social events to create relationships and a stronger sense of culture amongst employees. For example, many employees suggested a Christmas party or regular social events, such as family days, would help colleagues build relationships with one another, boosting employee satisfaction and possibly leading to stronger internal communication and cross-pollination of ideas.
BM	Culture	C7	Values: Values-driven Employee Retention	The company believes that due to its high engagement in social and environmental issues, staff feel more fulfilled and connected to the organization, leading to high retention rates. At bankmecu, more than half of all employees have been with the bank for more than 10 years.
BM	Departments	D1	Communications: customer engagement	Online forum ('Our Say') to allow customers to communicate with each other, but also vote on and inform board strategy based on the values important to customers.
BM	Departments	D1	Communications: Customer value statement	Annual report to customers that quantifies how much better off customers are financially than if they had been with a 'Big 4' bank as well as some environmental and social metrics
BM	Departments	D1	Communications: Integrated Reporting	IIRC pilot program in integrated reporting which is informing the way the bank thinks about integrating social environmental and financial performance
BM	Departments	D1	Communications: Internal comms	Recognized that they are NOT strong at internally communicating the values plus value proposition across the bank; so some in the bank are unaware of how the conservation land bank works or that the bank's values stem from its customers and therefore link to the social and environmental platforms as well as the reputational benefits or the financial value driver that the social and environmental platforms bring to the business.
BM	Departments	D1	Communications: Listening to customer feedback	Customer feedback is sought regularly through online platforms, an annual customer survey, and regular appreciation events. Some of this is thought to lead to high customer satisfaction with the survey demonstrating over 90% customer satisfaction for over 10 years

BM	Departments	D2	Finance: Philanthropy	Invest up to 4% of after-tax profit back into communities. One example of value swapping at Bankmecu is its community investment program where up to 4% of its after-tax profits is invested "back into communities" [A4]. This investment is targeted toward activities that "help solve economic, social and environmental problems" (bankmecu, 2014).
BM	Departments	D3	HR: Employee benefits	Employee satisfaction >90% for past 10 years; cited as due to short work hours, emphasis on work-life balance, engagement in customer ownership cooperative model, sustainability award recognition programs, and values-based products; also top quartile pay across every position; fair wages, non-discrimination, invest in employee dev't and training, employee ownership, flex-time, maternity leave, employee benefits that exceed industry standards, employee satisfaction
BM	Departments	D3	HR: Performance Reviews	Director-level social and environmental performance reviews;
BM	Departments	D3	HR: Staff recognition	Sustainability superstar recognition for employees who are recognized as having taken initiative in improving sustainability performance at the bank
BM	Departments	D3	HR: Top quartile wages	Every position is paid in the top quartile
BM	Departments	D4	Operations: Minimize environmental impact behaviors	Monitor and try to reduce waste and energy streams. Have installed solar panels and water tanks at the head office. Monitor and try to reduce energy and water use of all buildings
BM	Departments	D4	Operations: Voluntary environmental standards	Environmental management system; closed loop systems, environmental operational standards
BM	Departments	D5	Sales and Marketing: Values aligned new business development	New business and client acquisition is informed by values and issues relevant to customers. For example, if customers are interested in affordable community housing, the bank looks to finance new community housing. It is deliberately pursuing clients and projects that are values aligned, such as renewable energy, community housing, cooperative business financing, disability financial services etc.
BM	Departments	D5	Sales and Marketing: Values-based products to attract new customers	targeting values-aligned customers through environmental offset products is one reflection of how bankmecu is integrating customer values into its strategy; Bankmecu first uses a multitude of communication platforms to engage its customers and discover what its customers' values are; however, the bank then takes this information and feeds it directly into informing strategic decisions on an ongoing basis
BM	Departments	D6	Strategy: Understanding the hybrid value opportunity	Invests in research to understand the opportunity of a values-based market niche. For example commissioned reports on the community housing sector to understand how the bank could invest to increase the safe, secure and affordable housing supply. Also commissioned an SROI report on the sector to understand the potential benefits to the community.
BM	Mechanisms	M1	Assessment: materiality and communication	Bankmecu is still exploring how to identify and communicate its material impacts (see 'assessment' box). Tracking environmental and social metrics, some SROI, trying to find the right indicators

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BM	Mechanisms	M1	Measurement: Tracking the value proposition, assessing the business case	The 'business case' or value proposition internally for defining value as a hybrid of customer values is described as a flow where social and environmental engagement leads to employee engagement which leads to productivity which leads to cost efficiency which leads to price competitiveness which leads to the creation of economic value for shareholders/owners. Measure staff engagement and connect this to the bank's commitment and engagement with social and environmental issues; this is overlayed with productivity and cost-to-income ratios and pricing, which is compared to the market.
BM	Mechanisms	M2	Value swapping: via products	Offset new home construction by investing in a conservation land bank
BM	Mechanisms	M2	Value swapping: via products	Redesigned motor vehicle finance so that the cheapest loans went to the most environmentally-efficient motor vehicles
BM	Relationships	R1	Community: Retain local capital	Through job creation and customer ownership, able to retain local capital
BM	Relationships	R2	Customers: co-creation	The bank identified its customers were concerned about issues related to climate change and the environment, so the bank thought about where it had material impacts in this area, such as who it financed and what those environmental impacts were, and then redesigned their products to make the environmental impact material, i.e. through a lower interest rate for less pollution
BM	Relationships	R2	Customers: Customer intimacy	Participants feel that because of both the longevity of staff and customers as well as the cooperative customer-owned model, staff get to know customers and have interpersonal relationships with them, boosting both customer and staff engagement
BM	Relationships	R2	Customers: Targeted philanthropy	The bank financially supports value added services for targeted values-aligned customer groups. For example, it invests in the development of business managers and leading teachers, as the bank enjoys a large market share of banking the education sector.
BM	Relationships	R5	Partners: Partner value screens	Supplier sustainability questionnaire
BM	Relationships	R5	Partners: Memberships and Affiliations	Bankmecu is unsure which partnerships best make sense. It is exploring whether becoming a B corp will provide value to the organization in any way. They recently dropped their status as a signatory to the UNEPFI and UNPRI. While they appear to have clear 'partners' in the cooperative sector, they seem less clear about when it will add value to partner with certain groups versus others.
BM	Rules	RU1	Mission or purpose: Cooperative principles-- Customer elected and customer representative board	Following cooperative principles, Directors are elected from customer base
BM	Rules	RU2	Time horizon: Longer-term time horizon	Described as thinking about strategic decisions over a longer time horizon, given the longevity of employees and values of customers. Participants feel that all cooperatives operate with a longer-term growth perspective rather than short-term returns
BM	Structure	S1	Business model: Cooperative principles	The 7 cooperative principles include: (1) voluntary and open membership; (2) democratic member control; (3) members' economic participation; (4) autonomy and independence; (5) education, training and information; (6) cooperation among cooperatives; (7) concern for community
BM	Structure	S1	Business model: Marginalized and vulnerable customers	Specific centre in Fitzroy targeting low income customers and traditionally unbanked to offer tailored services, such as microfinance, financial counseling, etc.

BM	Structure	S2	Ownership: Cooperative Ownership	Many participants referred to the cooperative principles that create the "fabric of our business" [A1], leading bankmecu to operate by cooperative rules, such as customer elections of customer board members. These rules influence the governance, which, in turn, influences the strategy-making of the organization. And these all relate back to customers representing the views, needs, and values of themselves as patrons, clients, owners, employees, and directors. In this sense, they (the customers) are striving for the long-term viability and sustainability of their investments, their organization, and their communities.
BM	Structure	S2	Ownership: Customer ownership	As a customer-owned bank, the bank describes value as a reflection of customer values, which include financial definitions as well as social and environmental value aspirations. The entire sector is described as understanding that banks need to be profitable but that "the society and environment we live in is extremely important and must be equally thought of" [A4]
CER	Departments	D1	Communications: stakeholder engagement	Stakeholder engagement for strategy: co-create strategies with consumers, community; known for extensive stakeholder engagement
CER	Departments	D2	Finance: Philanthropy for Public use space	Maintaining gardens, parkland and open space for public use, including spiritual contemplation groups, educational tours, and recreational use
CER	Departments	D3	HR: Employee benefits	A full-time standard work week is 35 hours; annual leave is 12 instead of 10 days; relaxed work environment
CER	Departments	D3	HR: Employee benefits	Fair wages, non-discrimination, flex-time, pleasant work environment, employee benefits that exceed industry standards, employee ownership, maternity leave
CER	Departments	D3	HR: Employee benefits	While hospitality and cleaning jobs are paid at award rates, education and management positions are paid less than industry standards
CER	Departments	D6	Strategy: Social and environmental market niches	place, trade, education' Maintaining a community site for public use, running environmental education programs, and running social enterprises; Demonstration site to take risks on, pilot, and learn from environmental and social technologies, processes, and business models
CER	Departments	D6	Strategy: Social enterprises for financial autonomy	Running \$8.5 million of social enterprise to fund its own activities
CER	Departments	D7	Supply chain: Conscious Procurement	Purchase from suppliers that align with values
CER	Mechanisms	M1	Measurement: tracking and measurement	Lack of reporting, benchmarking and measurement of environmental or social impacts or goals
CER	Relationships	R1	Community: Education of social and environmental justice issues	Facilitate public engagement and education of issues relating to "equitable access to energy and resources, useful and meaningful work, community participation, and an environmentally sound pattern of life"
CER	Relationships	R2	Customers: Co-creation with customers	Work with education clients, such as schools, to customize environmental education programs and materials. Educational partner programs to support sustainability and environmental educators in schools with mentorship, support, information, outreach programs, models for sustainability practices developed and adapted for particular school grounds; worm farms, parent gardening groups etc available to help schools

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CER	Relationships	R5	Partners: Frame supplier relationships as partnerships	Create partnership approach with suppliers, such as local growers
CER	Relationships	R5	Partners: Learning with partners	Participating in workshops etc with partners (such as Donkey Wheel's The Difference Incubator and Social Traders) to understand and refine business models and grow their social enterprise strategy
CER	Relationships	R5	Partners: Partner value screens	Screen for values alignment in partners. For example, when looking for a partner organization to come in and take over the café that had been running at a loss, it looked for a social enterprise with social and environmental criteria and structured procurement conditions on the partner to source local organic food.
CER	Relationships	R5	Partners: Value swapping through partners	One strategy that CERES is adopting to manage the financial and social/environmental outcomes is to value-swap with partner organizations: CERES gets some of its financial needs met by delivering social outcomes to for-profit companies. For example, large corporate partners, particularly those that offer paid employee volunteering days, offer a regular influx of skilled volunteers who offer CERES financial value in the form of unpaid labour (volunteers), while CERES provides social value back to those organizations in the form of employee engagement (happy employees who get a paid day off to dig in the dirt).
CER	Relationships	R6	Beneficiaries: Marginalized employment model	Ceres supports marginalized farmers, guaranteeing they'll buy their entire crop. They also employ people through the farm seeker resource center to pick produce, creating jobs for marginalized people.
CER	Rules	RU1	Mission or Purpose: Job Creation as a purpose	Ceres was founded in part to create jobs in an area with high unemployment
CER	Rules	RU3	Operational procedures	Lack of procedures that encourage or incentivize behavior that reflects values at the operational level; i.e. recycling, turning out lights etc.
CER	Rules	RU4	Policies: Procurement policy	The food purchasing policy focuses on local produce, starting with Ceres itself then the closest producers and then extending it to Victorian farmers.
CER	Rules	RU5	Stakeholder engagement: Navigating a complex community of stakeholders	A big part of CERES' story, and its identity, is its connection to community, and CERES is currently grappling with how it interacts with and defines its very large and diverse community. By far, the majority of participant comments related to the complexity of stakeholder interactions in navigating the identity of the organization, articulating organizational values, and instituting a new strategic direction to deliver upon these values. One informal rule that is particularly challenging to uphold in the face of such a large and diverse community is that of direct participation. "I think we're a little bit confused about who and when to consult" [B2].
CER	Structure	S1	Business model: social enterprises	Invest financial surplus for social/environmental mission; All social enterprises have a social mission in addition to Ceres' overall mission

GS	Culture	C10	Knowledge sharing and learning	Actively pursuing knowledge exchange with partners at all levels of the organization. From the CEO holding a stakeholder group with other CEOs who share views and understand shared policy interests they can take to the government to engaging with private philanthropists, academics, and other early years service providers to understand where Goodstart can expand services and leverage its influence in advocacy.
GS	Culture	C9	Multi-cultural: Cultural sensitivity and diversity	At the centre level, staff recognize cultural diversity amongst families and intentionally cultivate a culturally diverse, respectful and supportive environment that reflects the multi-cultural needs of families. For example, celebrating multi-cultural festivals, catering meals with multi-cultural influences and sensitivities.
GS	Departments	D2	Finance: Social Inclusion Budget	This budget pays for professional development for staff, additional services for children, such as speech pathology, or subsidizes centres with high vulnerability to provide extra meals, such as an evening meal where families may struggle to provide the last meal of the day
GS	Departments	D3	HR: Employee Benefits that exceed industry standards	Offering 8% discount on private health insurance, the opportunity to 'purchase' more annual leave, so Goodstart can pro-rate pay and allow staff to 'buy' more time off. Also, staff get between 30-50% off childcare rates.
GS	Departments	D3	HR: Employees feel their feedback is sought, heard and valued	Employees feel that their feedback is sought and implemented.
GS	Departments	D3	HR: Professional development	Investing in lifting the qualifications and skills of staff
GS	Departments	D4	Operations: Energy efficiency	At the centre level, 'hour of power' to save money and electricity during nap time, the centre turns off all the electricity.
GS	Departments	D6	Strategy: Advocacy	Advocating for gov't to provide more funds, more free access for vulnerable groups of children, etc.
GS	Departments	D6	Strategy: Beneficiary-driven business model	As a social enterprise, Goodstart's focus on its beneficiary's needs is driving the growth of its business model. This model is one in which Goodstart is striving to understand how it can further meet the needs of its beneficiaries within the organizational scope and mission. For example, executives at Goodstart allude to a series of future 'hubs,' that offer not only early childhood learning through its traditional childcare centres, but also wrap-around services that support families in various ways. These hubs may provide services, for example, to support families who are struggling to gain adequate employment by providing jobs training, upskilling support, and partner support services; Partnering with community organizations who can offer support services to families, such as welfare agencies, domestic violence support, developmental issues with children etc.
GS	Departments	D6	Strategy: Marginalized employment model	Goodstart is pursuing a marginalized employment model in which centres seek long-term unemployed or local people who may struggle to find employment to fill a difficult employment niche, thus connecting to the communities it serves. There is a plan to invest in employment programs to upskill and include more long-term unemployed people to fill educator jobs that are difficult to fill with qualified people and also to connect families from local communities into local centres.

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GS	Departments	D6	Strategy: Social and environmental market niches	Aim to offer affordable high quality community connected early learning
GS	Departments	D7	Supply chain: Value swapping in procurement decisions	Willing to make trade-offs to support values. For example, when procuring a new set of uniforms, they chose an organization that was higher in price but committed to zero child labor
GS	Mechanisms	M1	Measurement	Struggling with how investment leads to specific outcomes. For example, by investing in higher than legislated educational qualifications for educators, what quantum, if any, benefit does this lead to for the children? Similarly with other investments...Goodstart is unsure whether and how much their investments lead to improved childhood outcomes.
GS	Relationships	R2	Customers: Facilitating family connections for children's clothing swaps	In one example of leveraging relationships to create hybrid value, Goodstart centres are encouraging clothing swaps between families. The centres provide large bins and encourage families to bring clothing that their children have outgrown. Other families can rummage through the bins and take any clothing they would like for their own children. Goodstart is leveraging its relationships with existing families and space to create additional value by allowing its customers/beneficiaries to create value for one another. Staff feels that there is anecdotal evidence to suggest these types of gestures also lead to more goodwill amongst families, creating more brand value for Goodstart. Participants also felt that it provided more of a connection between children and families within a centre, creating stronger relationships between families, creating a 'stickier' customer relationship.
GS	Relationships	R4	Investors: Values aligned investors	Goodstart was founded by partners with values-alignment, namely non-profits with missions to support vulnerable populations. Additionally, private investors offered 'social notes' to support the social mission with soft debt that may be converted to donations.
GS	Relationships	R5	Partners: Leveraging relationships to advocate for improved beneficiary outcomes	Both formally and informally, at the executive level as well as at the centre director and centre educator level, staff is encouraged to participate in forming networks and exchanging insights with other early learning staff from other centres and from other organizations. By engaging with and collaborating with other sector organizations and participants, Goodstart is hoping to exchange knowledge as well as build relationship capital to be able to influence public policy and advocate for more funding, higher standards, and lift the quality of early learning services offered to children across Australia. Because it has both a social and financial orientation, it believes that part of the purpose of generating financial stability and surpluses is to invest in these types of sector-wide social outcomes that ultimately create value for the community.
GS	Relationships	R7	Competitors: Leveraging scale to extend discounts to competitors and bring down the cost of affordable childcare	Supporting other competitors in the sector by exploring where there are opportunities to lift the calibre of the workforce, for example by funding the design of a leadership course that could be shared across the sector. Or leveraging their scale and buying power to share lower rates on nappies (diapers) and other supplies to bring down the cost of business and make access more affordable for more families and children

GS	Rules	RU6	Tacit Rules: Informal information hub to connect beneficiaries to community services	Informally, centres offer community information to their families, serving as a sort of local information hub, particularly to new immigrants. This is more of an organic process at the centre level that is being formalized strategically at the national head office.
GS	Rules	RU7	Beneficiary-driven: Routines and services are informed by beneficiary needs (children)	Child-centric planning and curriculum. Daily routines for the children are child-led, allowing the needs and interests of the children to guide the development of curriculum and the daily schedule
NAB	Culture	C10	Knowledge sharing and learning	One way that NAB appears to be practicing hybrid value creation is through its culture of learning. For example, through its natural value strategy, NAB is engaged in a very long process of learning from its customers and the global community to understand how to define and embed natural value into its strategy.
NAB	Culture	C10	Knowledge sharing and learning	Work with JBWere Philanthropic team to deliver the Harvard Business School social leadership program and the annual CEO forum for NFPs. We deliver a range of networking and industry led thought leadership events throughout the year via corporate responsibility and gov't education and community business
NAB	Departments	D1	Communications: Employee informed 'purpose' and 'value'	NAB underwent an exercise of running workshops and consulting staff to understand why people work at NAB, when people are happiest, when they are most satisfied. Out of that process, they distilled the purpose of the organization: to help other people, to realize staff potential, and to do the right thing.
NAB	Departments	D1	Communications: Integrated Reporting	Integrated report
NAB	Departments	D2	Finance: Community investment	African Australian Inclusion Program (delivered with Jesuit social services); Indigenous school based and full-time traineeships; workplace inspirations program
NAB	Departments	D2	Finance: Embedded social and environmental risk assessment	NAB has demonstrated the intent to embed a sustainability rating into its credit engine to assess the sustainability of a project and/or client. This intent is to integrate sustainability into process, products and services. For example, NAB has a reputational committee that assesses the reputational risk from social and/or environmental harm.
NAB	Departments	D2	Finance: Risk management--Customer screens	Intention of investing in learning through the natural value strategy is to work with customers to evolve their business models so they're less vulnerable (ie less risky) and also for the bank to reconsider its own risk appetite in terms of how much exposure it wants to customers who engage in certain types of environmental practices that carry performance liabilities
NAB	Departments	D2	Finance: Risk management--Negative harm screens	ESG risk filters
NAB	Departments	D2	Finance: Risk management--Positive screens	Part of the assessment of an investment in a project includes identifying 'co-benefits' or additional benefits to stakeholders or the community. For example, a project may fund the construction of a school or provide access to clean water to a vulnerable group in a developing country. These are subjectively assessed.
NAB	Departments	D2	Finance: Social investment	Invest 1% of cash earnings on social good; for example, microfinance, environment and education of women in finance
NAB	Departments	D3	HR: Employee Benefits that exceed industry standards	Recognized as employer of choice for women for 6 consecutive years; invest in employee dev't and training; flex-time, mat leave, employee benefits that exceed industry standards; Leading parental leave; flexible working benefits; employer of choice; flexible working practices promote work-life balance

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NAB	Departments	D3	HR: Paid volunteer days	NAB offers two paid volunteer days per year for each employee to use how they see fit
NAB	Departments	D3	HR: Workplace and work environment	Large focus on improving work environment and encouraging flexibility, which increases productivity and staff engagement
NAB	Departments	D4	Operations: Carbon Neutral	Purchase carbon offsets
NAB	Departments	D4	Operations: Efficiency improvements	Financial value through resource efficiency; value chain efficiency; environmental value through RE; employee engagement and reputational benefits; value chain efficiencies; voluntary standards; closed loops
NAB	Departments	D6	Strategy: Beneficiary-driven services	Indigenous beneficiary-driven products and services such as: employment opportunities at NAB, financial literacy programs, access to microfinance products to improve financial skills and inclusions, staff engagement of indigenous culture, business partnerships to intentionally procure from indigenous businesses and integrate them into the supply chain.
NAB	Departments	D6	Strategy: Environmental trends	During the strategy trend assessment process, broad societal trends, including environmental trends, are identified and integrated into bank strategy. For example, one trend of tipping points in biodiversity and ecosystem services identified a need for the bank to understand its impacts and dependencies of the business, its suppliers and customers on natural capital and the associated risks that could have on the sustainability of the business and relationships with customers and suppliers.
NAB	Departments	D6	Strategy: Research based	Commission research to understand the size of the issues they're working with and potential impacts or benefits. For example, annual financial exclusion report to understand the size of the market of financially excluded.
NAB	Departments	D6	Strategy: Social and environmental market niches	Leverage core capabilities as a bank to capture social and environmental niches, such as through: (1) the indigenous finance platform; (2) microfinance and the low interest loans scheme; and (3) resource efficiency and operational improvements.
NAB	Departments	D6	Strategy: Social and environmental market niches	Microfinance shopfront in a few different inner city locations to offer a combination of microfinance products and services including financial literacy and budgeting support programs
NAB	Departments	D6	Strategy: Social and environmental market niches	Low interest loan scheme provides capital to over 200 community organizations to manage to use funds to loan low interest loans to financially vulnerable and excluded groups. Program managed by Good Shepherd Microfinance.
NAB	Departments	D7	Supply chain: Supplier Sustainability Program	Require suppliers to sign sustainability principles which requires them to measure environmental metrics and require collaboration with NAB to work on environmental impact reduction initiatives and social impact initiatives. There is also a supplier diversity program to give advantage to indigenous, disabled, women-owned and social enterprises
NAB	Departments	D7	Supply chain: Values-influenced Procurement	Fair trade tea and coffee, indigenous procurement
NAB	Mechanisms	M1	Measurement: Community investment measures	London Benchmarking Group's financial measurement of community investors;
NAB	Mechanisms	M1	Measurement: Social and environmental metrics	Tracking social and environmental metrics; for example questions that subjective changes in beneficiary programs, i.e. how did you feel at the beginning vs. the end of the program?

NAB	Mechanisms	M1	Measurement: Social Return on Investment	SROI evaluations on a number of CSR programs
NAB	Mechanisms	M1	Measurement: Understanding the business case and measuring value drivers	Currently, a lot of 'value' is unmeasured, such as employee engagement or reduced absenteeism due to environmental improvements in the building or workspace. This lack of measurement systems means that when programs such as an environmental efficiency or operations project is pitched internally against other programs for funding, these incomplete numbers weaken the business case.
NAB	Mechanisms	M2	Value Swapping	Discounts on a number of products for NFPs; create value through workplace giving and volunteering program
NAB	People	P1	Leadership: personal values	Participants cite how it is crucial that leaders bring their personal values to bear
NAB	People	P2	Commitment: long-term commitment from the top-down	Participants felt that top tier commitment to social and environmental programs was not long-term or predictable enough to allow programs to get out of the start-up phase and move into profitable or more stable and sustainable programs. They felt that executives often 'pulled the plug' or stopped funding programs after 1-2 years, which sometimes was not long enough to cross from a learning and piloting phase into a more stable and blended value business initiative
NAB	Relationships	R5	Partners: Collaborating across an ecosystem	Working with global partners, and, at times, competitors, to participate in international forums, and engage in a shared conversation about developing standards and tools and methodologies and issues for business consideration of natural capital. For example, UNEP financial services group, SUSTAINABLE BUSINESS AUSTRALIA, SSI Australia, Federal Dept of Environment, Australian Business and Biodiversity Initiative, signatories to the National Carbon Disclosure project, etc.
NAB	Relationships	R5	Partners: Supporting partners to cultivate a marketplace	NAB is cited by partners as committing sponsorship, sharing information, and working with partners, such as Good Shepherd, to build a marketplace for solving social issues that are material to NAB (ie social finance and microfinance). It also works with partners, such as Donkey Wheel, a foundation to help build capacity of social entrepreneurs.
NAB	Rules	RU1	Mission or purpose: scaled up commitment	Participants felt that NAB was making a very minor commitment to social and environmental programs rather than shifting the core of the business into considering a more complex definition of value.
NAB	Rules	RU8	Decisions: decision matrices	Decision matrices are informing which stakeholders, social targets and objectives inform strategy and practices. For example, NAB uses a stakeholder wheel to evaluate impacts on customers, staff, community, suppliers, suppliers' conditions, and impact on the environment. These groups inform strategy and objectives. For example, the social finance team has the objective to reach 1 million people by 2018. Each team, such as education, financial inclusion, etc have corresponding objectives
NAB	Rules	RU9	Incentives: Performance Reviews	Director-level social and environmental performance reviews; diversity policies
NAB	Rules	RU9	Incentives: Systems of incentive	Participants described being incentivized purely on financial performance

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NAB	Structure	S3	Governance: Community-based Advisory Groups	Engaging leaders in the community (external to the bank) in conjunction with bank executives to challenge, inform, and support social/environmental strategies and programs. For example: Indigenous advisory group that the indigenous finance team reports to 2x/year and helps steer reconciliation action plan. Another example: CR advisory group council, comprised of prominent non-profit and sustainability leaders as well as group exco to set and inform the corporate responsibility strategy
NAB	Structure	S4	Processes: Institutionalize processes and systems that account for hybrid value	Currently, individual bankers' values often influence the social and environmental outcomes positive or negative of projects and clients that are financed. Participants suggest that NAB needs to institutionalize hybrid value into its processes and systems to remove personal value biases.
SG	Culture	C1	Relationships	Personal relationships are highly valued and participants perceive these to be high quality and highly valued
SG	Culture	C2	Employee Benefits	Autonomy: I am given the responsibilities of a leader and with that comes the freedom to plan my own schedule
SG	Culture	C2	Employee benefits: Employee Empowerment	"As an employee I am treated much more as a partner and leader. In understanding and aligning with the vision, I am trusted to be a leader in the organization, meaning my personal choices are given a lot of trust. As a result, I feel empowered to make my journey personally meaningful" SG2
SG	Culture	C3	Values: Loving and supportive	The philosophical thinking at Small Giants has led to cultivating a culture defined by core values of love and support, values that are not traditionally associated with an investment firm (Froud & Williams, 2007). It is these cultural elements that staff feels allow them to take risks, make decisions, and work in an entrepreneurial environment.
SG	Culture	C3	Values: Loving and supportive	"I am supported emotionally. There is an understanding that my work has to be meaningful, and with that comes the understanding that my personal needs are important" SG5
SG	Culture	C3	Values: Loving and supportive	The culture is described as everyone is encouraged to do their best and flourish
SG	Culture	C3	Values: Values-driven strategic thinking	Our investment philosophy is that we will only invest in companies that provide products and services that are good for the world (useful) and that we would want to use
SG	Culture	C4	Intuitive and entrepreneurial	Open management; collaborative approach; intuitive entrepreneurial decision making
SG	Culture	C4	Intuitive and entrepreneurial	the organization acknowledges these intangibles and "competing forces" [E6] that require intuitive entrepreneurial decision-making. The CEO notes how when the team knows there are things that aren't being measured, it requires intuitive subjective decision-making rather than a decision-matrix or formula. This strategy very much aligns with the Small Giants value concept as an extension of individual values.
SG	Culture	C5	Staff relationships	Family gatherings, Friday lunches, social events to encourage quality relationships
SG	Culture	C5	Staff relationships	Soccer team; table tennis; 20 hrs volunteering
SG	Culture	C6	Visionary; create change	"We're consciously trying to create the world we want to live in..." [E5] ... "and the jobs we want to have" [E1]. A model of trying to spread the business' values.
SG	Culture	C6	Visionary; create change	Participants describe the purpose of creating positive change at multiple levels; the systemic level, the industry level, the micro individual level

SG	Culture	C6	Visionary; prove the model	SG is trying to prove the investment thesis of values-based investing and is hoping to 'be the business it wants to see more of in the world'
SG	Culture	C7	Workplace: Fun, Collegial	fun and collegial; we also encourage this in portfolio companies
SG	Culture	C8	Intimacy	A small intimate culture leads to trust, autonomy, personal relationships, cross-pollination of ideas, support, recognition to yield a 'flourishing' culture. Some participants felt this was only possible in a small intimate environment which could be replicated by creating small intimate groups within large companies.
SG	Departments	D3	HR: Employee Benefits	Paternity leave
SG	Departments	D3	HR: Employee Benefits	Profit share for employees
SG	Departments	D3	HR: Employee Benefits	Flat pay scales set at a maximum discrepancy of 6 times between highest and lowest paid
SG	Departments	D3	HR: Employee Benefits	works hard to ensure people receive benefits that exceed industry standards
SG	Departments	D3	HR: Employee Volunteering	employees encouraged to take 20 hours off per year to contribute to community project; through portfolio companies, i.e. TOM Organic gives tampons to St Kilda city mission; TiiG partners with local communities to develop socenv impact projects (ie solar panels on school roofs)
SG	Departments	D3	HR: Recruitment	Rather than an intentional recruitment strategy, SG invests in developing a vibrant network and community of values-aligned people from whom they often find the next 'recruit' to join their team or join a project
SG	Departments	D4	Operations: Values-aligned procurement	Where possible, all suppliers screened for values-alignment, i.e. cleaning products with enviro screen, stationary purchased from company that gives 50% of profits to charity; who gives a crap toilet paper
SG	Departments	D4	Operations: Office behaviors	Recycling, composting, bee keeping
SG	Departments	D6	Strategy: Marginalized employment model	Through portfolio companies (ie STREAT, Pots n Pans)
SG	Departments	D6	Strategy: Partner for scale	One strategy is to achieve scale by partnering with IIG to invest "other people's money...to scale to the high heavens what it is that SG does." [E5]
SG	Departments	D6	Strategy: Values aligned investment	Investing in businesses that align with the ethos and values of the business to change the world in a positive way
SG	Mechanisms	M1	Measurement: Developing impact assessment tools	TiiG have specialized resource dedicated to developing measurement frameworks and impact assessment tools
SG	Mechanisms	M1	Measurement: Life cycle assessment of well-being	Small Giants looks at each investment and asks 'who and what do we touch and are they being looked after?' This involves looking through the supply chain to end users and understanding who and where they source raw materials, the manufacture, distribution, use and disposal and asking whether each of those people, groups and environments are being paid a fair wage, have decent working conditions, the environment protected, etc.
SG	Mechanisms	M2	Value Swapping	From a portfolio perspective, SG balances out its composite value by seeking some deals with greater financial return and less impact and vice versa in order to seek composite hybrid value.

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SG	Mechanisms	M2	Value Swapping	Determine values and criteria and impose screens on suppliers. For example, with printing in their magazine, Dumbo Feather, Small Giants looked for FSC certified paper, post-consumer recycled, non-toxic soy based inks, fair labor standards, etc. but also paid a higher price to support a local printer that matched the same criteria as one overseas.
SG	Mechanisms	M2	Value Swapping	ILG property syndicates takes profits to invest in community/enviro elements; philanthropy: SG gives away a portion of profits to charities and is actively involved in philanthropic activities (GNH, B Corp)
SG	Relationships	R1	Community: Co-creation	Action tank brings together members of our network to discover new ways to collaborate
SG	Relationships	R1	Community: Community engagement	Writing competitions in schools (dumbo feather)
SG	Relationships	R1	Community: Knowledge exchange	Ad hoc pro-bono help; mentoring and assistance to a number of people and entities for free
SG	Relationships	R1	Community: Sector building	Building the sector and ecosystem through philanthropy and contributions to building B corp
SG	Relationships	R3	Employees: Team and Community	Participants discuss values alignment, chemistry, connection, and commitment in building partnerships, which Small Giants feels is akin to interpersonal relationships. This approach reinforces the importance of individual values and again alludes to the seamlessness between organization and individuals. This emphasis on relationships translates into one way that Small Giants is bringing its organizational values into the way it relates to partners and the way it manages its investments.
SG	Relationships	R5	Partners	Our networks are collaborative and cooperative as a result of SG's time and effort in fostering meaningful and deep partnerships
SG	Relationships	R5	Partners: Borrowed models	The entrepreneur uses borrowed models and adapts them. For example, drew on inspiration from the book 'Small Giants' to make passion and the way they work a priority but combined this with the outcome-orientation of the 'So-cap' conference group. He also drew inspiration from Virgin to make the company about an archetypal customer based on values.
SG	Relationships	R5	Partners: Clusters or hubs of values-aligned businesses	Offers space in the same physical environment to cluster values-aligned companies and portfolio companies; Invests and partners with other 'cluster-creating' businesses, such as a co-working space, 'The Hub'.
SG	Relationships	R5	Partners: Values-aligned products and services in Portfolio Companies	School of life offers classes and workshops for people to think deeply about life; Dumbo Feather inspires readers to live with passion and purpose; Tom Organic provides environmentally sustainable and healthy tampons
SG	Rules	RU10	Thresholds: Financial thresholds	Setting upper limits and financial thresholds such that when financial maximums ('enough profit') are reached, value can be swapped to be invested or diverted in other types of value outcomes, such as lowering the price of a product, improving the environmental efficiencies etc.
SG	Rules	RU2	Time horizon: Long-term time horizon	Patient approach to investing means that SG makes investments based on the long-term value a business will bring to its portfolio and to the world. The long time horizon means it is not seeking a quick exit but prefers to seek portfolio companies based on long-term values alignment
SG	Rules	RU3	Operational procedures: Environmental screens	Conscious effort to make environmentally sensitive choices in operations, from chosen biodegradable natural carpets to eco-paints and eco-cleaners

SG	Rules	RU7	Beneficiary driven: Customer as beneficiary	"We want to create businesses we want to work at. We want to create businesses we want to shop from, we want to have, you know, from feminine hygiene to the houses that we live in through the property, through the magazines that we buy, every element of our business should be coming back to basically what we want to see in the world.
SG	Rules	RU8	Decisions: Entrepreneurial and empowered decision making	Top-down support to take risks, believe in staff, empower them as entrepreneurs
SG	Rules	RU8	Decisions: Subjective values-based	Investment decisions and strategy is informed by an intuitive subjective set of assessments that draw on values and logic internal to employees; For example, the company operates without any target rates of return but instead votes with subjective scores on the financial return, the passion, and the social/environmental outcomes
SG	Rules	RU8	Decisions: Values proxy-based measurement to screen for partners (investments)	B corp screening of all portfolio companies (investments)
SG	Rules	RU8	Decisions: Values-guided (i.e. environmental values)	Solar panels on the roof (tech); environmental policy; invested in community-owned wind farm (hepburn wind)
SG	Structure	S1	Business model: Hybrid organization	The idea was to found a company that brought together the worlds of philanthropy or charity (the social outcomes and mission) and making money
ST	Culture	C5	Staff relationships	Staff engagement through regular social catch-up as a whole organization
ST	Culture	C8	Intimacy (customer-beneficiary)	Because the homeless kids (beneficiaries) work in cafes, customers can experience the impact through relationships and intimacy. It is not an abstract 'benefit' but a person with whom the customer has visibility and intimacy.
ST	Departments	D1	Communications: Communicating a clear value proposition	Wrote an annual report for partners, quantifying how much homelessness the partner contributed to helping stop
ST	Departments	D1	Communications: Communication and Collaboration	Connecting and educating public and customers about youth homelessness and social enterprise. Also do a huge amt of work, supporting other social enterprise peers.
ST	Departments	D1	Communications: Providing a clear value proposition	By providing a clear value proposition on how each partner is creating value for the other, it makes sense for both organizations to leverage resources and commit to the partnership
ST	Departments	D1	Communications: Value proposition	Food and drink positioned as 'tastes good, does good' and creates maximum social and environmental good
ST	Departments	D1	Communications: communicate plural values	communications, PR strategy and visibility of impact demonstrate and communicate social and financial returns
ST	Departments	D3	HR: Capacity building	Six weekly professional development sessions to upskill the whole organization
ST	Departments	D3	HR: Employee Benefits	Fair wages, staff motivation around social mission, very high retention, prof dev of hospo staff in youth support skills, high morale, annual awarding of excellence in line with values
ST	Departments	D3	HR: Recruitment	Ranked by QUT in top 5% of NFP boards. Strong capacity building of exec and mgmt in value for people, profit, planet
ST	Departments	D3	HR: Staff recognition	Awards to recognize staff performance
ST	Departments	D4	Operations: Green buildings	Environmental design and maintenance of their buildings (i.e. flagship site--exploring energy transference from the roasters café into its own water system)

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ST	Departments	D7	Supply chain: Environmental procurement	environmental targets and screens to guide environmental principles into purchasing decisions, i.e. greening the supply chain through screening for transportation and packaging
ST	Mechanisms	M1	Measurement	Very strong measurement and evaluation framework and tools to track social, environmental and financial impacts and performance. Monthly reporting reflects 3 P's values (how's it been going this month with the financial? What's the social impact of the site? What are the environmental initiatives we have highlighted for the site?)
ST	Mechanisms	M1	Measurement	Could improve in how they're measuring the 'benefit'. They'd like to get to the point where they could clearly quantify for every \$1 spend, the social outcome or benefit.
ST	Mechanisms	M1	Measurement	Six areas where STREAT and GPT have agreed value is created for each partner: brand name value, customer experience and loyalty, employee engagement, tenant engagement, risk management, and organizational effectiveness and innovation. Each partner subjectively assesses how much value is being created to derive a financial metric.
ST	Mechanisms	M2	Value Swapping	Re-invest 100% of profits into youth services
ST	Mechanisms	M2	Value Swapping	Putting capital to 'work' rather than allowing it to sit idle in the bank to collect interest, which feels "immoral"
ST	Mechanisms	M2	Value Swapping	Strategic decisions to 'blend' value across businesses in the portfolio, some focused on revenue, others on social mission; Portfolio of businesses, some financial leaning, some social leaning; composite yields hybrid value
ST	People	P1	Leadership and individual values	Individuals leaders bring personal values to bear in piloting programs, forging partnerships, and committing to projects. For e.g. The personal mission and values of the entrepreneur are integral to the design, strategy, practices of the business
ST	Relationships	R1	Community: Community engagement	community engagement at the site level (i.e. at Flemington working with community members to bring together key players around the local community issue of Somalian youth unemployment by focusing on at-risk youth in high schools)
ST	Relationships	R1	Community: Knowledge sharing	Create growth opportunities for other social enterprises through sharing information, lessons learned, creating a supply chain and partnering with other social enterprises, leveraging relationships with larger corporates to facilitate introductions and open doors, described as "broker of relationships" to other potential partners. Extremely active and generous in sharing time and knowledge by speaking at forums, across media, sharing case studies, lessons learned etc. We are trying to create other soc ent success through our success, eg getting GPT to allow us to invite other soc entprises into our space at Central to develop a precinct; influencing corporates to think differently and innovate
ST	Relationships	R1	Community: Multiple audiences	Target specific audiences for specific conversations, ie foodies, social enterprise, homeless
ST	Relationships	R2	Customers: Customer engagement	Customer engagement very strong, huge loyalty 82% return weekly
ST	Relationships	R4	Investors: Impact investor model	impact investment model generates \$ to reinvest here and elsewhere as well as increase social and financial impacts, whilst enabling STREAT growth

ST	Relationships	R5	Partners	Partnership with corporates; helping partners capture the social benefit message to drive value for partners, in turn strengthening the partnerships. i.e. PWC uses the model with STREAT to make more money: PWC shows off the work done with STREAT to clients who are happy and spend more money
ST	Relationships	R5	Partners	Have a range of partnership, pivotal in working in sector to put others in our supply chain, eg 96% of produce comes through other social enterprises
ST	Relationships	R5	Partners: Building and leveraging trust for scale	Cultivating individual relationships with partner organizations over a long period of time, where trust is built and then leveraged to expand opportunities within the partnership to create shared value. For example, exploring new business models and value creating opportunities with partners to expand impact and achieve scale
ST	Relationships	R5	Partners: Value alignment	Partners must have values aligned rather than defining partners as transactional, they are being described as relationships where each partner has goals they are supporting for one another and values that align.
ST	Relationships	R6	Beneficiaries: Belonging	Focus on social inclusion of a highly marginalized group. Engage community members as customers, supporters and volunteers to become part of the social change
ST	Rules	RU7	Beneficiary-driven: supporting beneficiaries	Support services for young homeless people; supporting key 'at risk' groups
ST	Rules	RU8	Decisions: Decision Matrices	Decision matrices to clearly prioritize values to staff. For example in purchasing decisions, clarifying when local trumps organic, when price trumps social and or environmental factors. a decision matrix is a tool to help a person faced with a decision, such as a purchasing decision, to identify priorities or criteria that can guide that decision-making process. STREAT's decision matrix was designed to assist staff in overcoming value tensions. This often arises when a chef is faced with the choice to buy local seasonal produce versus organic produce from overseas: which value takes priority?
ST	Rules	RU8	Decisions: Value Swapping	Tying to create greatest SROI and EROI for \$1 spend; 100% profits reinvested
ST	Rules	RU8	Decisions: values-guided, i.e. Environmental focus	We have a focus on People, Planet, Profit. We focus on green supply chains, buildings, transport, and logistics and packaging etc
ST	Structure	S1	Business model: hybrid portfolio	Building a portfolio of businesses that have varying model types and ownership structures; expecting to create future models jointly with corporate partners
ST	Structure	S1	Business model: Intermediary labor market model; welfare to work	Helping marginalized homeless young people receive jobs training and support to catalyze more stable pathways and employment opportunities. Creating a workplace for marginalized homeless young people (the physical space)
ST	Structure	S3	Governance and legal: Innovative legal structures	Creative governance and legal structures to manage multiple values (i.e. for profit parent company to receive impact equity investment; however, run like a non-profit where 100% of profits reinvested into mission); Incorporating a for-profit entity under the non-profit parent in order to receive equity investment

Coding practices for institutional logic

Case	Code Category	Code	Social value	SV	EV	FV C	FV O	IV	Market Logic	Community Logic	Social Welfare Logic	Intrinsic Logic	Value relationship
BM	Culture	C2	Relationships	C		M			Profits	Employee engagement		Well-being	Enabling
BM	Culture	C3	Opportunities	M		M	C	C	Profits	Community well-being	Ecological health	Care	TBL
BM	Culture	C3	Relationships	C		M		C	Profits	Employee engagement			Enabling
BM	Culture	C5	Relationships	C		M		C	Profits	Employee engagement		People	Enabling
BM	Culture	C7	Relationships	C		M		I	Profits	Employee engagement			Enabling
BM	Departments	D1	Relationships	C		M		C	Risk Management	Customer engagement			Internal
BM	Departments	D1	Relationships	C		M	C	C	Market Share	Customer engagement			Enabling
BM	Departments	D1	Opportunities	M	S W	M			Reputation	Community engagement		Customer Engagement	TBL
BM	Departments	D1	Relationships	C		M			Profits	Employee engagement			Enabling
BM	Departments	D1	Relationships	C		M		C	Profits	Customer engagement			Internal
BM	Departments	D2	Social Need	S W	S W	SW	SW	I	Brand Value	Community well-being	Inclusion		Threshold
BM	Departments	D3	Relationships	C		M	C	C	Productivity; Profits	Employee engagement			Enabling
BM	Departments	D3	Relationships	C		M		C	Profits	Employee engagement			TBL
BM	Departments	D3	Relationships	C		M		I	Profits	Employee engagement			Enabling
BM	Departments	D3	Relationships	C		M	C		Profits	Employee engagement			Enabling
BM	Departments	D4			M	M			Cost savings	Goodwill; Reputation	Ecological health	Nature	TBL
BM	Departments	D4	Social Need	S W	S W	M		I	Profits	Community well-being	Ecological health	Nature	Enabling
BM	Departments	D5	Relationships; social need	C	S W	M	SW	I	Growth opportunities; reputation	Relationships; community resilience; place	Social need, ecological health	People;	Enabling
BM	Departments	D5	Opportunities	M		M		I	Market Share	Customer engagement			Blended value
BM	Departments	D6	Social need	S W		M	C	I	Growth opportunities; reputation	Relationships; community resilience; place	Social need		Shared value
BM	Mechanisms	M1	Opportunities	M	S W	M			Profits	Community engagement			TBL
BM	Mechanisms	M1	Relationships	C		M			Profits	Employee engagement			Enabling
BM	Mechanisms	M2	Opportunities	M	S W	M		I	Brand Value	Community engagement	Ecological health	Nature	Value swap
BM	Mechanisms	M2	Opportunities	M	S W	M		I	Market Share	Community engagement	Ecological health		Value swap
BM	Relationships	R1	Relationships	C		M	C	C	Market Share	Economic development			Enabling
BM	Relationships	R2	Opportunities	M	S W	C		C	Risk Management	Customer engagement	Social capital		Internal
BM	Relationships	R2	Relationships; Staff and customer engagement	C		M		C	Revenue; Profits	Relationships		Well-being	Enabling
BM	Relationships	R2	Relationships	C		M	C	S W	Market share; Reputation	Relationships; up-skilling	Social need	Respect; Trust	Value swap
BM	Relationships	R5	Relationships with partners	C	S W	M		I	Reputation	Relationships	Ecological health	Nature	TBL
BM	Relationships	R5	Relationships	C		M			Profits	Community engagement			Enabling
BM	Rules	RU1	Relationships	C		C		C	Brand Value	Customer engagement		People	Internal
BM	Rules	RU2				M			Longevity; financial sustainability				Internal
BM	Structure	S1	Relationships and	C		C	C	C	Brand Value	Customer engagement	Empowerment	Diversity	Autonomy

			participative democratic governance										
BM	Structure	S1	Social Need	S W		M	SW	I	Reputation	Resilience	Inclusion	Respect	Shared value
BM	Structure	S2	Relationships and participative democratic governance	C		M	C	C	Longevity; financial sustainability	Relationships; Trust; Place		Respect; Trust	Blended value
BM	Structure	S2	Relationships	C		M		C	Profits	Customer engagement		Care	Blended value
CER	Departments	D1	Relationships	C		M		I	Reputation	Trust			Enabling
CER	Departments	D2	People	I	C			I		Community well-being	Inclusion	Nurturing, care, diversity, love, well-being	Internal
CER	Departments	D3	Relationships	C		M			Productivity; Profits	Employee engagement		People; Care	Enabling
CER	Departments	D3	Relationships	C		M	C		Profits	Employee engagement	Well-being	Respect, loyalty, care, diversity	Enabling
CER	Departments	D3	Relationships	C			C		Reputation	Economic development		Responsibility;	Enabling
CER	Departments	D6	Opportunities	M	C	M	C		Brand value; Profits	Place	Social capital	Org. mission, reason for being	Internal
CER	Departments	D6	Social need	S W		M			Financial autonomy		Social need		Autonomy
CER	Departments	D7	Relationships	C		C		I	Reputation	Community well-being		Right thing to do	TBL
CER	Mechanisms	M1	Opportunities	M	S W	C			Profits	Engagement	Community engagement		Enabling
CER	Relationships	R1	Relationships	C	S W	C		I	Reputation	Community engagement		Respect, empowerment	Internal
CER	Relationships	R2	Relationships	C	S W	M			Profits	Partner capacity building	Social need; Ecological health		Shared value
CER	Relationships	R5	Relationships	C	S W	C	C		Reputation	Economic development	ecological health		TBL
CER	Relationships	R5	Relationships; learning	C		M			Financial autonomy	Partner capacity building			Autonomy
CER	Relationships	R5	Relationships	C	S W	C		I	Reputation	Community well-being	ecological health		TBL
CER	Relationships	R5	Relationships	C		M		I	Cost savings	Community engagement	Nurturing	Nurturing, Care, values resonance	Value swap
CER	Relationships	R6	People	I	S W	SW	C		Reputation	Economic development ; community resilience	Inclusion		TBL
CER	Rules	RU1	Relationships	C		SW	C		License to operate	Economic development ; community resilience	Inclusion		TBL
CER	Rules	RU3	Opportunities	M	M	M		I	Cost savings	Reputation, Accountability	Ecological health	Responsibility;	TBL
CER	Rules	RU4	Relationships	C	S W		SW	I		Care, diversity, community well-being, economic dev't	Inclusion	Right thing to do	TBL
CER	Rules	RU5	Relationships	C						Trust, community engagement	Inclusion	Diversity, respect, love	Internal
CER	Structure	S1	Social need	S W	S W	C	SW	I	Autonomy		Ecological health; well-being	Legal obligation	Autonomy
GS	Culture	C10	Relationships	C		M			Profits	Resilience	Social Capital		Enabling
GS	Culture	C9	Relationships; people	C, I	C	M		C	Market share; Reputation	Community well-being, Customer engagement	Inclusion, social capital	Diversity, Care, Respect, Trust	Internal
GS	Departments	D2	Benevolence	S W	C	SW	I, C	I		Community well-being, Customer engagement	Inclusion, Well-being	Diversity, Care, Respect, Trust	Value swap
GS	Departments	D3	Relationships	C		M	I, C		Productivity; Profits	Employee engagement			Enabling
GS	Departments	D3	Relationships	C		M		I	Productivity; Profits	Employee engagement, care	empowerment, inclusions	trust, respect	Enabling
GS	Departments	D3	People	I		M	C		Profits	Community Engagement		Employee Engagement	Enabling
GS	Departments	D4	Opportunities	M	M	M			Profits		Ecological health		Enabling

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GS	Departments	D6	Social Need	S W		C	SW	I	Profits	Community Well-being	Inclusion	Diversity	Shared	
GS	Departments	D6	Relationships	C		M	SW, C	I	Brand value; Profits	Community well-being	Inclusion, social capital	Care, nurturing, respect, trust, love	Autonomy	
GS	Departments	D6	Opportunities	M	C	M	SW	I	Financial sustainability	Economic dev't; community well-being	Inclusion	Diversity, respect, love, care, trust	Enabling	
GS	Departments	D6	Relationships; social need	C, S W	C	M	SW		Profits; Market share	Economic dev't; community well-being	social capita, inclusion, empowerment	nurturing, diversity, care, trust	Shared value	
GS	Departments	D7	Social Need	S W			SW	I	Reputation	Community Well-being	Empowerment	Care	Value Swap	
GS	Mechanisms	M1	Social Need	S W			SW	I, C		Economic development	Improved childhood outcomes		Enabling	
GS	Relationships	R2	Relationships	C		M	SW		Reputation	Community Engagement	Social Capital	Customer Engagement	Blended	
GS	Relationships	R4	Relationships	C			SW	I	Profits	Community Well-being			Internal	
GS	Relationships	R5	Relationships	C		M	C	C	Profits		Empowerment	Employee Engagement	Enabling	
GS	Relationships	R7	Social Need	S W			SW	C	Brand Value	Community Well-being	Social Capital		Blended	
GS	Rules	RU6	Relationships	C	C	M		C	Brand value; Profits	Community well-being, Customer engagement	Inclusion, social capital	Diversity, Care, Respect, Trust	Internal	
GS	Rules	RU7	Relationships; people	C, I	C			I	Reputation	Respect, Well-being	Empowerment	Nurturing, Care, Love, Well-being	Internal	
NAB	Culture	C10	Opportunities	M		M			Profits	Community Engagement			Enabling	
NAB	Culture	C10	Relationships	C			SW		Reputation	Community Engagement			Enabling	
NAB	Departments	D1	Relationships	C		M		I	Profits	Employee engagement		Employee Engagement	Internal	
NAB	Departments	D1	Opportunities	M	M	M			Reputation	Community Engagement			Enabling	
NAB	Departments	D2	Opportunities	M		M	SW						Value Swap	
NAB	Departments	D2	Opportunities	M	M	M			Profits	Community Engagement	Social Capital		Enabling	
NAB	Departments	D2	Opportunities	M	S W	M			Profits	Resilience	Ecological health		Enabling	
NAB	Departments	D2	Opportunities	M	M	M			Profits	Community Engagement	Social Capital		Enabling	
NAB	Departments	D2	Opportunities	M	M	M			Profits	Community Engagement	Social Capital		Shared	
NAB	Departments	D2	Social Need	S W	S W	SW	C	I	Reputation	Community well-being	Ecological health	Care	Value Swap	
NAB	Departments	D3	Relationships	C		M			Profits			Employee Engagement	Enabling	
NAB	Departments	D3	People	I		M		I	Profits	Employee engagement		Well-being	Enabling	
NAB	Departments	D3	Relationships	C		M			Profits			Employee Engagement	Enabling	
NAB	Departments	D4	Opportunities	M	M	C		I	Profits	Community engagement	Ecological health	Care	Value Swap	
NAB	Departments	D4	Opportunities	M	M	M			Profits				Enabling	
NAB	Departments	D6	Social Need	S W			SW	I	Reputation	Resilience	Inclusion	Diversity	Enabling	
NAB	Departments	D6	Opportunities	M	S W	C		I	Profits	Resilience	Ecological health		Enabling	
NAB	Departments	D6	Opportunities	M		M	SW		Profits	Resilience	Inclusion		Shared	
NAB	Departments	D6	Opportunities	M	M	M			Profits	Community Engagement	Inclusion		Shared	
NAB	Departments	D6	Social Need	S W			SW	SW	I	Reputation	Resilience	Inclusion	Care	Enabling
NAB	Departments	D6	Social Need	S W			SW	SW	I	Reputation	Resilience	Inclusion	Diversity	Enabling
NAB	Departments	D7	Relationships	C	S W	C	SW	I	Reputation	Resilience	Ecological health	Diversity	TBL	
NAB	Departments	D7	Social Need	S W			SW	SW	I	Reputation	Economic development	Inclusion	Diversity	Value Swap
NAB	Mechanisms	M1	Relationships	C		M			Brand Value	Community Engagement			Enabling	
NAB	Mechanisms	M1	Relationships	C	S W	SW			Reputation	Community Engagement			Internal	

NAB	Mechanisms	M1	Opportunities	M		SW			Reputation	Community Well-being	Empowerment		Value Swap
NAB	Mechanisms	M1	Opportunities	M	M	M			Profits	Employee engagement			Enabling
NAB	Mechanisms	M2	Social Need	SW		SW		I	Brand Value	Community engagement	Social capital	Employee Engagement	Enabling
NAB	People	P1	Relationships	C				C		Employee engagement		Trust	Internal
NAB	People	P2	Relationships	C		M		C	Profits	Employee engagement	Ecological health		Shared
NAB	Relationships	R5	Relationships	C	SW	C		C	Profits	Resilience	Ecological health		Enabling
NAB	Relationships	R5	Relationships	C		SW	C	C	Brand Value	Community engagement	Social capital	Trust	Enabling
NAB	Rules	RU1	Opportunities	M		M			Profits				Market
NAB	Rules	RU8	Opportunities	M		M			Profits	Community engagement			Shared
NAB	Rules	RU9	Relationships	C		M	I		Profits	Employee engagement			Enabling
NAB	Rules	RU9	Relationships	C		M			Profits				Market
NAB	Structure	S3	Relationships	C		M		C	Profits	Community engagement		Diversity	Internal
NAB	Structure	S4	Opportunities	M		M		I	Reputation	Community Well-being		Employee Engagement	Blended
SG	Culture	C1	Relationships	C		M		C	Profits	Employee engagement		Trust	Internal
SG	Culture	C2	People	I		M		C	Profits	Employee engagement		Trust	Enabling
SG	Culture	C2	People	I		M		C	Profits	Employee engagement		Nurturing	Internal
SG	Culture	C3	People	I		I		C	Profits	Community well-being	Empowerment	Love	Enabling
SG	Culture	C3	People	I		I		I	Profits	Employee engagement		Nurturing	Internal
SG	Culture	C3	People	I		M	I		Profits	Resilience		Nurturing	Internal
SG	Culture	C3	Opportunities	M		M		I	Profits	Community well-being	Ecological health	Care	Internal
SG	Culture	C4	People	I		M		C	Profits	Employee engagement			Internal
SG	Culture	C4	People	I		M		C	Profits			Trust	Internal
SG	Culture	C5	Relationships	C		I		C	Profits	Community engagement		Love	Internal
SG	Culture	C5	Relationships	C		M		C	Profits	Employee engagement			Enabling
SG	Culture	C6	People	I		M		I	Profits	Community well-being	Ecological health		Blended
SG	Culture	C6	Social Need	SW		M		I	Profits	Community well-being	Ecological health	Care	Internal
SG	Culture	C6	Social Need	SW		M		C	Reputation	Community well-being	Empowerment		Shared
SG	Culture	C7	People	I		M	I		Profits	Employee engagement			Enabling
SG	Culture	C8	Relationships	C		I		C	Profits	Employee engagement		Nurturing	Enabling
SG	Departments	D3	Relationships	C		M		I	Profits	Employee engagement		Well-being	Enabling
SG	Departments	D3	Relationships	C		M	I		Profits	Employee engagement			Enabling
SG	Departments	D3	Relationships	C		M	SW	I	Profits	Employee engagement	Social capital	Trust	Threshold
SG	Departments	D3	People	I		M	I			Employee engagement			Enabling
SG	Departments	D3	People	I	SW	SW	SW	C	Profits	Community well-being	Social capital	Employee Engagement	Value Swap
SG	Departments	D3	Relationships	C		M			Profits	Community engagement			Enabling
SG	Departments	D4	Social Need	SW	M	I		I	Reputation	Community well-being	Ecological health		Internal
SG	Departments	D4	Social Need	SW	SW	M		I	Profits	Community well-being	Ecological health	Care	TBL
SG	Departments	D6	Social Need	SW		SW	Sw		Profits	Community well-being	Inclusion		Blended
SG	Departments	D6	Relationships	C		M			Market Share	Resilience			Shared
SG	Departments	D6	Social Need	SW		C		C	Profits	Resilience	Ecological health		Internal
SG	Mechanisms	M1	Opportunities	M		M		I	Profits	Resilience	Ecological health		Blended

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SG	Mechanisms	M1	People	I	S W	C	SW	C	Brand Value	Community well-being	Ecological health	Care	Internal
SG	Mechanisms	M2	Opportunities	M		M			Profits	Community well-being	Ecological health		Value Swap
SG	Mechanisms	M2	Social Need	S W	S W	SW		I	Reputation	Economic development	Ecological health		Internal
SG	Mechanisms	M2	Social Need	S W	S W	SW			Reputation	Resilience	Ecological health	Care	Value Swap
SG	Relationships	R1	Relationships	C	C	M		C	Profits	Community engagement			Internal
SG	Relationships	R1	Relationships	C		SW		C	Brand Value	Community engagement		Customer Engagement	Internal
SG	Relationships	R1	Relationships	C		SW		C	Reputation	Community engagement	Social capital	Nurturing	Internal
SG	Relationships	R1	Relationships	C		SW	C		Profits	Economic development	Social capital		Shared
SG	Relationships	R3	Relationships	C		M		C	Profits	Community engagement	Social capital		Internal
SG	Relationships	R5	Relationships	C		C		C	Profits	Resilience	Social capital		Enabling
SG	Relationships	R5	Opportunities	M		M		I	Profits	Community engagement			Enabling
SG	Relationships	R5	Relationships	C	C	M	C		Profits	Resilience	Empowerment	Diversity	Enabling
SG	Relationships	R5	Opportunities	M	S W	M		I	Profits	Community well-being	Ecological health		Shared
SG	Rules	RU10	Opportunities	M		M		S W	Profits	Resilience	Ecological health		Threshold
SG	Rules	RU2	Opportunities	M		M		I	Profits	Resilience	Empowerment		Shared
SG	Rules	RU3	Social Need	S W	S W	SW		I	Reputation	Community well-being	Ecological health		Value Swap
SG	Rules	RU7	People	I	I	M	I	I	Market Share	Customer engagement	Ecological health	Well-being	Internal
SG	Rules	RU8	People	I		M		C	Profits			Nurturing	Internal
SG	Rules	RU8	People	I		M		C	Profits	Employee engagement	Empowerment	Intuition	Internal
SG	Rules	RU8	Social Need	S W	S W	C		I	Brand Value	Community well-being	Ecological health		Internal
SG	Rules	RU8	Social Need	S W	S W	C		I	Profits	Resilience	Ecological health	Care	Blended
SG	Structure	S1	Opportunities	M		M			Profits	Community well-being	Empowerment		Blended
ST	Culture	C5	Relationships	C		M		C	Profits	Employee engagement			Enabling
ST	Culture	C8	Relationships	C		M		C	Profits	Customer engagement	Inclusion	Trust	Internal
ST	Departments	D1	Relationships	C		M		I	Brand Value	Customer engagement	Inclusion		Enabling
ST	Departments	D1	Relationships	C		SW		C	Reputation	Community engagement			Intrinsic
ST	Departments	D1	Relationships	C		M			Profits	Community engagement			Shared
ST	Departments	D1	Opportunities	M		M		I	Profits	Customer engagement		Customer Engagement	Shared
ST	Departments	D1	Opportunities	M		M			Reputation	Community engagement			Enabling
ST	Departments	D3	People	I		M			Profits	Employee engagement			Enabling
ST	Departments	D3	Relationships	C		M			Profits	Employee engagement			Enabling
ST	Departments	D3	Relationships	C		M			Reputation	Employee engagement			Enabling
ST	Departments	D3	People	I		M			Profits	Employee engagement			Enabling
ST	Departments	D4	Opportunities	M	S W	M		I	Profits	Community well-being	Ecological health		TBL
ST	Departments	D7	Social Need	S W	S W	C		I	Profits	Community well-being	Ecological health	Care	Intrinsic
ST	Mechanisms	M1	Social Need	S W	S W	M			Autonomy	Resilience	Autonomy		TBL
ST	Mechanisms	M1	Relationships	C		M			Brand Value	Customer engagement			Enabling
ST	Mechanisms	M1	Relationships	C		M	C		Risk Management	Customer engagement	Social capital		Shared
ST	Mechanisms	M2	Opportunities	M		SW			Autonomy	Resilience	Autonomy		Autonomy
ST	Mechanisms	M2	Social Need	S W		M		I	Autonomy	Community well-being	Social capital	Well-being	Enabling

ST	Mechanisms	M2	Opportunities	M		M			Profits	Community well-being	Autonomy		Autonomy
ST	People	P1	People	I		M		C	Profits	Resilience	Empowerment	Trust	Internal
ST	Relationships	R1	Social Need	SW	C	SW		C	Autonomy	Community well-being	Social capital		Intrinsic
ST	Relationships	R1	Relationships	C		SW		C	Reputation	Community engagement	Empowerment		Intrinsic
ST	Relationships	R1	People	I		M		C	Market Share	Community engagement			Enabling
ST	Relationships	R2	Relationships	C	C	M		C	Profits	Customer engagement	Social capital	Customer Engagement	Enabling
ST	Relationships	R4	Relationships	C		C	C		Market Share	Resilience	Empowerment		Enabling
ST	Relationships	R5	Relationships	C		M			Profits	Community well-being		Trust	Shared
ST	Relationships	R5	Relationships	C		C		C	Reputation	Economic development	Empowerment		Shared
ST	Relationships	R5	Relationships	C		M		C	Market Share	Community well-being	Social capital		Shared
ST	Relationships	R5	Relationships	C		C		I	Brand Value	Community engagement		Trust	Internal
ST	Relationships	R6	People	I	C	C		I	Reputation	Resilience	Inclusion	Diversity	Intrinsic
ST	Rules	RU7	Social Need	SW		SW		I	Autonomy	Community well-being	Autonomy	Care	Autonomy
ST	Rules	RU8	Relationships	C	SW	M		I	Risk Management	Resilience	Empowerment	Employee Engagement	Internal
ST	Rules	RU8	Opportunities	M		M			Brand Value	Resilience	Ecological health		Enabling
ST	Rules	RU8	Opportunities	M	M	M			Profits		Ecological health		TBL
ST	Structure	S1	Opportunities	M		C			Market Share	Resilience	Inclusion		Enabling
ST	Structure	S1	Social Need	SW	C	SW	SW	C	Autonomy	Resilience	Inclusion	Nurturing	Internal
ST	Structure	S3	Opportunities	M		C	C		Market Share	Resilience	Social capital		Enabling