

EDITOR'S PERSPECTIVE

BOTH FOR PROFIT AND NOT: BIBLICAL VIEWS OF ORGANIZATIONAL HYBRIDIZATION

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THE HYBRIDIZATION TREND

Recent scholarly literature and discussion, including past JBIB articles on Business as Mission and recent CBFA presentations on Business as Mission and social entrepreneurship, indicate that the activities of organizations are shifting in ways that blur the dividing line between for-profit and not-for-profit business. This drift takes the form of each side borrowing visions, missions, goals, structures, resources, or strategies from the opposite end of the spectrum (Strom, 2007).

Christian business scholars and practitioners are at the forefront of hybridization. Business as Mission is a Christian movement that promotes doing business according to Kingdom values of stewardship, reconciliation, justice, dignity, and peace (e.g., Johnson, 2009). Social entrepreneurship is a movement of interest to Christians in business because it “combines the passion of a social mission with an image of business-like discipline, innovation, and determination commonly associated with, for instance, the high-tech pioneers of Silicon Valley” (Dees, 2001, p. 1).

Global interest in hybridization is high. Hybrids are often called “the fourth sector,” as an

added sector after the business, civil society, and government sectors. The United Nations produced a report by Goldman Sachs on ways to evaluate the environmental, social, and management performance of firms, in order to get a better handle on the fuller impact of more socially-responsible companies (Strom, 2007).

Examples of hybrids set in a for-profit context include Jeffrey Immelt, a Christian and CEO of General Electric, who founded its Ecomagination unit with \$1 billion in research and development funds to reduce the environmental impact of G.E. products. Now more than seven percent of G.E. sales are Ecomagination products. WikiHow is a for-profit spin-off from the non-profit Wikipedia. It is run as a community service to its members, where profit comes second, in the form of advertising on its how-to web pages. WikiHow members are happy that they are never asked for donations. Its founder receives some of the profit, of course.

Hybrid activities in the non-profit sector include any profit-making activity that supports a non-profit organization, for example, national sales of Girl Scout cookies. Such activities are

becoming more sophisticated, as seen in the increasing use of low-interest program-related investments (PRI) loans from foundations to start up profit-making activities by non-profits (Strom, 2007).

The growing variety of profit/non-profit blends bring with them opportunity and innovation, as well as risk and unforeseen change. Of core interest to this line of research are biblical views on the issues that arise from hybridization. The benefits of hybridization are more than we currently know, but they include increasing access to low-interest loans from non-profit foundations, and responding to the rising interest of investors in the long-term holistic approaches to business that enhance sustainability. Such fourth-sector financiers are called patient capital, because they are willing to wait for profits. Hybridization raises issues such as the tax treatment of hybrids, the fiduciary responsibilities of asset managers to maximize profit, and the inherent difficulties of quantifying long-term social benefits and internalizing the true costs of doing for-profit business.

SCRIPTURAL FOUNDATION FOR ANALYSIS

The Christian church, as the Body of Christ in this world, serves society. 1 Peter 4:10, in the context of Peter's charge to the church to love and serve others, states: "Each one should use whatever gift he has received to serve others, faithfully administering God's grace in its various forms." The influence of the church, both among its members and in society, is evident in Acts 2:42-47:

They devoted themselves to the apostles' teaching and to the fellowship, to the breaking of bread and to prayer. Everyone was filled with awe, and many wonders and miraculous signs were done by the apostles. All the believers were together and had everything in common. Selling their possessions and goods, they gave to anyone as he had need. Every day they

continued to meet together in the temple courts. They broke bread in their homes and ate together with glad and sincere hearts, praising God and enjoying the favor of all the people. And the Lord added to their number daily those who were being saved.

The church is the source and sustainer of modern faith-based organizations.

The Apostle Paul's tent-making business is typically considered as a financial support for his evangelistic work. I suspect that he evangelized and mentored, needle in hand, just as everything Paul did was an opportunity to help others walk victoriously with Christ in all of life. His business was very likely a prime example of Business as Mission, and as such, a full-on hybrid.

Paul's holistic approach to life in Christ, and a Christian view of life as explained by Reformed thinkers (Kuyper and Dooyeweerd as interpreted by Greene, 1998), lead me to argue that the trend of hybridization, at its essence, only reflects the inherent wholeness of the creation. Man separated profit-generating activities from their religious roots. Now we rejoin them via hybridization.

A second principle of Kuyperian thought is sphere sovereignty. Each human activity has its rightful place or sphere in the creation, over which its norm for activity is sovereign, and should not be intruded upon by other spheres. For example, the norm for the family is truth, or promise-keeping. Business should follow its norm of stewardship, but not to the point that parents cannot keep their godly promises to their children. The concept of sphere sovereignty has been applied by Kurt Schaefer and others in the study of how faith-based organizations interact with government. It could also be applied to the analysis of profit and non-profit activities and norms. For example, if the norm for non-profit organizations is the common good, hybridization implies a blending of the norms of stewardship and the common good. Analysis along these lines would delineate areas of congruence and areas of conflict for these two norms.

In these ways and others, biblically-based analyses of this important trend can prepare Christians in business to respond knowledgeably to hybridization.

Biblically-based analyses can address issues such as:

- How do biblical views of the roles of government, business, and church inform the hybridization movement?
- Which laws, regulations, and codes are being challenged by hybrids? How are Christians pushing the envelope and contributing to the form that change is taking?
- How is the contribution of civil society, much of it faith-based, changing with hybridization? What are the potential impacts on faith-based organizations?
- What advice can scholars and consultants offer to practitioners during this transition?
- What clashes and conflicts of interest can be expected in blending often polarized public versus private motivations, missions, constituencies, and resources? How can a biblical analysis foster reconciliation where needed and preserve differentiation where appropriate?

Prominent recent examples in the news of the clashes and conflicts of interest accruing from the hybridization trend include:

- Bill Novelli, former CEO of AARP, discussed on NPR the conflicts of interests caused by hybridization. For example, AARP receives royalties when its members buy AARP-endorsed insurance plans, while AARP simultaneously monitors insurance products for its members.
- The U.S. Olympic Committee, a registered non-profit organization, fired its CEO, apparently because she had no sports management background. Her unfamiliarity with Olympian and sports cultures was thought to be the source of much miscommunication and misunderstanding between the

Committee and its stakeholders. Generic business background did not transfer to this major organization.

IMPLICATIONS

Christian business professors observe that they serve students in two “camps:” hard-core business students, and social justice types. I find that the hard-core business students are attracted to finance, money and banking, or forecasting courses. I find the social-justice students mainly in courses on international development or non-profit management. They divide into two camps for the same reason that our greater society is divided into two ideologies or logics: industry logic and social institutional logic (Gumport, 2002).

The implication here is: How can hybrid organizations, which are commonly composed of both camps, hold together? Strong ideological and cultural forces pull them apart, so how can they work together? How can hybrids become strong organizational cultures? These two student camps come together in courses on organizational hybridization, such as social entrepreneurship courses. Thus the question at hand for our membership is: How can we teach two opposing camps at once?

I offer one potential response. I understand that excellent results come from the implementation of polarity management techniques (Johnson, 1996), which bring both sides to understand and actually value each other’s positions. Such techniques are very useful for our students to learn and apply as managers in the polarized political environment that is the United States today.

CONCLUSION

This special issue offers discussion and analysis of the complex nature of organizational hybridization. Because this is a cutting-edge trend, regulation has yet to catch up and settle into clear lines of demarcation in their treatment of hybrids. Teresa Gillespie and Timothy Lucas trace developments in the legal terrain that offer more organizational options for hybrid business-

es. They also discuss implications for Christian social ventures. Timothy Lucas reflects on his experience teaching social entrepreneurship, a sub-category of hybrid organizations. He points out how underdeveloped social entrepreneurship is as a discipline, and offers recommendations for “advancing social entrepreneurship as a dedicated field of study within Christian higher education.” Orneita Burton and Jozell Brister conducted empirical research to shed light on best practices of non-profit and for-profit business that suggest which form hybrid businesses can take to maximize stewardship and sustainability. In an invited paper, Roland Hoksbergen, an expert on civil society and economic development, discusses the place of these three papers within the larger context of historical trends in organizational hybridization.

A second section of this special issue focuses in on one sub-category of organizational hybridization: Business as Mission. Three invited authors respond to each other from their different disciplinary and theological perspectives. They raise and debate the question: Is Business as Mission a new field with great potential for Christian scholarship?

It is our hope at JBIB that our contributions in this issue will clarify the opportunities and issues of organizational hybridization and their implications for business practice, research, and pedagogy.

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