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## INVITED PERSPECTIVE

### HOPE FOR HYBRIDS: FAITHFUL PRESENCE IN ORGANIZATIONAL LIFE

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#### CHANGING STRUCTURES FOR CHANGING TIMES

Throughout biblical history the people of God struggled in an ever-changing world to live faithfully. Technology, the physical environment, geopolitics, and even the spiritual world evolved over long periods of time in striking and fascinating ways. As times changed, the people of God, under the direction of the Father, the Son or the Spirit, changed the way they lived. Throughout the biblical story, and ever since, very few things on this earth, with exceptions like the character of God himself, have been exempt from evolutionary change. Human organizations are certainly not exempt. Institutions and organizational structures in such arenas as family, education, church, culture, society and politics are ever changing as they respond to new conditions and needs. So it is too with economic and business institutions. They change and adapt in response to new challenges

In papers prepared for this volume, Orneita Burton and Timothy Lucas both point out that Joseph Schumpeter captured the character of this evolutionary change in his memorable phrase “creative destruction.” As new and better in-

stitutions are created, the older, less effective ones fade away. For Christians living in the era of Christ’s Church, we also participate in this process of creative destruction as we strive to be faithful to Christ’s call to be God’s witnesses and agents of salt and light in a sinful world.

Among the creative organizational changes in which Christians have participated, we can include banking and finance systems, stock markets, corporations, the regulatory state, civil society organizations, urban centers, media and so many more. What motivates us is our overriding mission to follow through on the Cultural Mandate by continually searching for ever better ways of carrying out God’s will during our short lives in our world. In our pursuit of this mission, our guidelines in discerning what improvements to make are summarized quite simply by Jesus himself; love God and love our neighbor (Matthew 22:34-40). As we seek to be faithful living out these commands in the contemporary world, we do well to follow Paul’s guidance to the Thessalonians, “Test everything. Hold on to the good” (1 Thessalonians 5:21).

For those of us called to address how resources are stewarded for the production and distribu-

tion of goods and services, a basic and recurring issue is what kind of organizational structures are best suited to carry out our mission. It is in this context that we ask what role “hybrid organizations” might play and whether the Christian community should organize to develop and employ them. The collective answer to this question by the contributors to this volume is clearly in the affirmative, because 1) we find ourselves inspired by the knowledge that mission is prior to profit and 2) we are in the midst of a roiling pot of ideas and practices about institutional forms that seek to prioritize mission over mere organizational survival.

For reasons that will become clear, I too am an enthusiastic supporter of the work of the three main papers presented in this journal. Orneita Burton searches for the best practices from the present day for-profit and not-for-profit institutions in an effort to structure a new and improved type of “hybrid” institution. Teresa Gillespie considers the changing legal climate that will provide a law-based foundation to new types of institutions, and Timothy Lucas asks how Christian colleges and universities can train our young people to be leaders in these new mission-oriented institutions. All three of these papers are helpful contributions to the efforts of Christ followers to be transformative agents in the world of production and distribution of the goods and services needed by God’s people everywhere.

In my attempt to persuade you to join us in our collective hope and enthusiasm about hybrid organizations, I will present four arguments. First, a few notes about theological/biblical principles that support the creation of new institutions. Second, a reference to a contemporary and compelling argument by James Davison Hunter on how Christians can be effective world changers. Third, some comments on some new trends in organizational development that are addressing social needs in new and creative ways. And fourth, an overview of what the Christian community needs to succeed in fashioning hybrid

institutions in ways that will make us more effective as God’s stewards.

## THEOLOGICAL INSIGHTS AND PRINCIPLES

The first principle is mission, which all the papers in this volume emphasize, along with their desire to find ways to carry out that mission more effectively. Each in its own way argues or assumes that our mission is a broad one, intended to bring about the well-being of all of God’s people, with special attention toward those who are poor, left out, oppressed or forgotten. All three papers thus intentionally take up the second great commandment and ask how hybrid organizations can meet the needs of the poor. They explore first how hybrid organizations can be effective in meeting currently unaddressed needs and follow this by asking how those organizations can be sustainable over the long run. One major concern is how hybrid organizations can generate the revenue streams that keep them afloat and functioning. Another is how to focus the creative abilities of young social entrepreneurs as they discover innovative ways to meet needs in new ways. If our younger generations are to take up this task seriously, then they must be trained, which is why we need to focus, as Lucas does, on the role of Christian colleges and universities. All of these efforts are ultimately focused on achieving what Catholic Social Teaching refers to as “the common good,” a beautifully descriptive term that draws attention to the importance of being effective in our ministry. If we really care for the people God cares about, then those of us with resources and capabilities must, as stewards, employ them in pursuit of God’s purposes.

A second principle, or set of principles, is the pairing of freedom with responsibility. In giving us a mandate at Creation, God also gives us the freedom to build a world in keeping with his designs. In giving us such wide open freedom, he also marked out the path and gave us a sense of what we were responsible for, like caring for his creation and loving each other. These themes

are woven throughout the biblical drama in story after story as God's people live up to them, fail at them, return to God and find their way again. After the resurrection, when the Church is instituted, we learn to look to Jesus as Savior and Lord and are led by the Spirit as we "work out (our) salvation with fear and trembling" (Philippians 2:12). In Paul's letter to the Galatians we get a hard-hitting summary of what our freedom means. In a powerful opening to chapter 5, Paul says "It is for freedom that Christ has set us free." A few verses later Paul underscored the point: "You, my brothers, were called to be free." He then reminds us that freedom is tightly conjoined with responsibility; "do not use your freedom to indulge the sinful nature; rather, serve one another in love. The entire law is summed up in a single command: 'Love your neighbor as yourself'" (Galatians 5:1, 13-15).

We thus enjoy the freedom to organize, reorganize, innovate and develop new organizational forms that help us pursue the common good. As Paul says, where life-giving innovations that bring about all good things are concerned, "against such things there is no law" (Galatians 5:23b).

Finally, let us consider "subsidiarity," that insightful conceptual innovation arising in Catholic Social Thought. Subsidiarity teaches that all of us, even at the most basic levels of society, are to be invested and creatively engaged. Some use this principle to suggest that large institutions like the state are not to overstep their authority by making decisions that inhibit freedom and creativity throughout society. The principle thus appropriately serves as a check on an overly interventionary state, but there is another side to this coin, which is that subsidiarity demands that entrepreneurs at all levels of society be active in creating new institutions that fulfill the common good better than the institutional arrangements we currently live with. If the common person is not innovating and working for the good, then it should be no surprise that the State, also instituted for our good (Romans 13:4a), should inter-

vene. In fact, that's the job of the higher authorities when the lower ones fail. All the more reason that the Christian community should be creating and promoting organizations that serve the common good.

## TO CHANGE THE WORLD

These three principles are all on vivid display in James Davison Hunter's recent book, *To Change the World* (2010). Hunter reviews Christian history to discover when, where and how the Christian community exercised significant constructive influence on the direction of social change. He then analyzes the strategies of the contemporary Christian community and assesses both their successes to date and their potential for success in days ahead. What he finds is that Christians do best when they focus on bringing about innovative changes at all levels of society, in whatever niche we happen to occupy. Such a strategy, he argues, is much more effective than trying to manipulate or gain access to national political powers and institutions, which he believes has been the main thrust of the Christian community in recent years. Hunter calls this type of life orientation "faithful presence," which he says

obligates us to do what we are able, under the sovereignty of God, to shape the patterns of life and work and relationship—that is, the institutions of which our lives are constituted—toward a shalom that seeks the welfare not only of those in the household of God but of all (p. 254).

Some examples Hunter provides of faithful presence include business leaders in Houston who build and manage schools in low income neighborhoods, a computer company that has established a film and cultural renewal fund and a car company that focuses as much on the well-being of its employees as it does on the bottom line. Though Hunter does not use the term, all these are, in different degrees and forms, hybrid organizations that are finding creative new ways to meet the needs around them. He concludes

with a ringing endorsement of freedom and the need for creativity.

We are not bound by the ‘necessities’ of history and society but are free from them. He broke their sovereignty and, as a result, all things are possible. It is this reality that frees all Christians to actively, creatively, and constructively seek the good in their relationships, in their tasks, in their spheres of influence, and in their cities (p. 286).

### CREATIVE TRENDS IN ORGANIZATIONAL DESIGN

In recent decades there has been an explosion of creative and novel developments in the organizational world. From the development of KIVA as a source of online lending for micro entrepreneurs around the world to the Business as Mission (BAM) movement, there is today an effervescence in the organizational design community that is truly astounding.

There are numerous historical and global realities that feed into all this creativity, among the most important of which is the coincidence of major new social problems, like global environmental concerns and international security issues, with the perceived inability of our current organizational structures to address them. Population is rising, inequality is increasing, environmental concerns are spreading, which build on each other in leading to a more conflictive and dangerous world. Not to be ignored are the global media that inform us almost instantaneously of troubling events as they occur across the world. In the midst of all this, governments, traditional businesses and civil society organizations seem incapable of responding to all the needs.

It is times like these that spawn new efforts to reorganize ourselves in ways that meet the new challenges, with entrepreneurial types from all sectors seeking to combine the strengths of one sector with the strengths of others to create new and more effective institutions. This is the impe-

tus behind much of the social entrepreneurship that has risen in practice and in our consciousness over the last twenty years or so. One such creative leader is Muhammad Yunus, who famously played a leading role in the microfinance revolution. More recently, Yunus is promoting the development of what he calls “social businesses.” Yunus says that a social business would take on as its primary mission the pursuit of “specific social goals,” but the organization would nevertheless remain a “business.” As a “business,” it would be managed for efficiency, but as a “social” business, its profits would be reinvested in the organization instead of distributed to the stockholders (Yunus, 2007).

Yunus is now an old-timer, but visions similar to his are increasingly present among today’s younger generation. Just a few days ago I had a conversation with a recent graduate of our business program at Calvin College. She is now in learning mode in a first job with the financial community, but her dream is to engage in “impact investing” that will make financial resources available to entrepreneurs who are pursuing broad social missions. She may very well attend the Stanford Business School and take advantage of its Center for Social Innovation. This is the same school that graduated Jessica Jackley of KIVA fame and Jacqueline Novogratz, author of *The Blue Sweater* (2009) and founder of the Acumen Fund. This recent graduate mentions Hub Ventures (<http://hubventures.hubbayarea.com/>), the Unreasonable Institute (<http://unreasonable-institute.org/>) and Social Finance (<http://www.socialfinance.org.uk/work/sibs>) as organizations that inspire her. To give you a flavor of what these organizations do, the opening lines on Hub Ventures’ web site are: “Hub Ventures is a 12-week evening program providing funding and resources to a community of 16 entrepreneurs building for-profit solutions for a better world.”

Yet another creative organizational trend comes from the world of international development, which is fertile ground for creative change. A growing trend is the creation of new types of

partnerships that bring business, non-governmental organizations, and government agencies together in productive relationships. These creative partnerships may tackle environmental, health or educational issues with innovative organizational structures that, hopefully, combine the strengths of all three types of organizations. Two recent books on the promise of such partnerships are *Alliances for Sustainable Development: Business and NGO Partnerships* (Berlie, 2010) and *Partnerships, Governance and Sustainable Development: Reflections on Theory and Practice* (Glasbergen, et.al., Eds. 2007).

## CHRISTIAN COMMITMENT AND LEADERSHIP

Intermixed in all the secular organizations are a good number of Christians engaging in the sort of faithful presence James Davison Hunter calls for. For the new organizational structures to be successful, they must meet five requirements, all of which are addressed by the papers in this volume.

First, successful organizations must have a mission with a clear social purpose, like ending malaria or managing forests sustainably. Within this grand mission, there are plenty of specific missions, especially if we remember that Christ is reconciling “all things” to himself (Colossians 1: 15-20). One striking fact is how setting the mission as priority #1 is so different from the way the reigning Western mindset, which sees the primary mission of business as earning a profit and then finding business activities that generate this profit. Approaching things this way leaves many important specific missions unattended.

Second, in carrying out activities oriented to the common good, organizations must create products that meet real needs. Two of countless examples are bed nets to prevent malaria and ecotourism activities that provide jobs to locals while protecting the environment.

Third, organizations must be sustainable over the long run, for which they must be managed well internally, have sufficient revenue streams and be competitive with other organizations. To

meet the changing needs of today’s world, many of these organizations need to be reimagined and recreated. This will necessarily mean the creation of hybrid organizations that bring together the best insights and practices from our current panoply of organizations types (see Burton in this volume).

Fourth, new hybrid organizations need a facilitating and nurturing legal and cultural climate within which to find a socially legitimate niche. Creating new legal structures, like LLC and L3C models or the B Corporation is another arena of faithful presence for leaders from the Christian community (see Gillespie in this volume).

Finally, the new organizations must be populated with visionary entrepreneurs, inspiring leaders and capable managers endowed and nurtured with the virtues, knowledge and skills to create and lead the organizations that will increasingly allow us all to be faithful to God’s commands to love him and to love our neighbors in practical and real ways (see Lucas in this volume).

It is often said that the only constant is change. In terms of the world around us, this is certainly true, but another delightful truth in these changing times is that we continue to serve a risen Lord, one member of the triune God who loves and protects us, but who also expects us to join him in the mission of loving the world and loving our neighbors. Hybrid organizations are one hopeful means through which we can carry out this mission. Let us create them, test them, and hold on to the good.

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