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A Taxonomy of Hybrid Value Logics—How Social Enterprises Combine Institutional Logics Differently

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Abstract

This study explores the variations in hybrid value logics among social enterprises. Hybrid value logics refer to the guiding principles and heuristics that determine and legitimize the design of business models, incorporate beliefs and practices from two distinct institutional logics. Analyzing 213 social enterprises, we identify 3 types of hybrid value logics. Socially dominated *value co-creators* prioritize integrating and empowering social actors. Balanced *value integrators* engage both social and commercial actors across multiple components. Commercially dominated *value providers* focus on value creation with commercial actors, while social actors mainly receive the provided value. Given their distinct characteristics, we discuss the unique challenges and opportunities each type presents for social enterprises.

Keywords

business model, hybridity, hybrid value logic, institutional logic, social enterprise, taxonomy

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Social enterprises challenge the classical economic paradigm by incorporating social welfare objectives, such as poverty alleviation or environmental conservation, into business models primarily focused on revenue generation (Davies & Doherty, 2019; Litrico & Besharov, 2018; Pache & Santos, 2013). This fusion creates a hybrid value logic that blurs the lines between profit-seeking and fostering societal and environmental value (Laasch, 2018b; Rozentale & van Baalen, 2021). In adopting this approach, social enterprises draw from a blend of previously separate ingrained assumptions, beliefs, and practices, known as institutional logics, that guide members within a specific institutional field (Thornton & Ocasio, 1999). When two or more institutional logics, such as a social welfare and commercial logic, converge at the organizational level, a hybrid value logic emerges (Laasch, 2018a, 2018b). This hybrid value logic encompasses guiding principles and heuristics that determine and legitimize the design of business models, which are the mechanisms through which organizations create and capture value (Laasch, 2018b; Ocasio & Radoynovska, 2016).

While existing research has acknowledged the duality of hybrid value logics in social enterprises, highlighting both the opportunities they present (e.g., innovative ways to address social issues) and the challenges they pose (e.g., tensions from diverging institutional demands) (Ostertag et al., 2021; Pache & Santos, 2013; W. K. Smith et al., 2013), our understanding of hybrid value logics remains limited in two key areas. First, social enterprises exhibit differences in their business models across several dimensions, including value proposition (Mair et al., 2012), stakeholder collaboration (Ostertag et al., 2021), value generation mechanisms (Dohrmann et al., 2015), and regional engagement (B. R. Smith & Stevens, 2010). Moreover, differences in social enterprises have been discussed in terms of founders' identities with diverse combinations of institutional logics (Fauchart & Gruber, 2011; Wry & York, 2017) or how social enterprises integrate beneficiaries in diverse ways (Saebi et al., 2019; Santos et al., 2015). Despite recognizing these differences, research often assumes a uniform hybrid value logic across all social enterprises, implying that institutional logics are combined in the same manner at the organizational level (Laasch, 2018b; Litrico & Besharov, 2018; Shepherd et al., 2019). Yet, this premise is surprising, given that institutional logics encompass diverse aspects, such as goals, practices, and beliefs, which may not be uniformly integrated into the hybrid value logics of all social enterprises (Fu, 2024; Laasch, 2018a; Shepherd et al., 2019). Therefore, there is no singular, standardized form of hybrid value logic, but rather a spectrum of different combinations of practices and beliefs derived from both social and commercial institutional logics that become relevant at the organizational level.

Second, the literature on institutional logics in social enterprises primarily focuses on founders, managers, and employees as the main importers of these logics (Battilana & Dorado, 2010; Laasch, 2018a; Wry & York, 2017). However, research on co-creation and collaboration in social enterprises highlights the critical role of broader stakeholder involvement (Montgomery et al., 2012; Ostertag et al., 2021; Savarese et al., 2021). While all types of organizations somehow integrate stakeholders, social enterprises do so with a wider range of stakeholders (e.g., customers, corporations, and beneficiaries), more intensively (e.g., engaging a greater number of stakeholders/partners), and more diversely (e.g., linking stakeholders/partners with different motives) (Davies & Doherty, 2019; Ostertag et al., 2021; Santos et al., 2015; Yunus et al., 2010). Thus, beyond the import of institutional logics by founders, other key actors closely tied to the business model—such as those receiving, creating, or paying for value—can also influence which institutional logics are combined and become active at the organizational level (Savarese et al., 2021). In this context, we refer to "actors" as any individual or entity—such as a founder, stakeholder, or collaborator—that plays an active role in the creation, reception, or payment of value within the business model of a social enterprise (Hwang & Colyvas, 2020; Ocasio & Radoynovska, 2016).

To address these gaps, we aim to answer the question of *whether and how hybrid value logics differ among social enterprises*. Drawing on the literature on institutional logics, hybrid business models, and collaboration of social enterprises (Hwang & Colyvas, 2020; Laasch, 2018b; Olesson et al., 2023; Ostertag et al., 2021), we argue that the role and the institutional embeddedness of various actors within a business model explain differences among social enterprises. To enhance our understanding of these differences, we develop an empirically based taxonomy by conducting a qualitative content analysis of 213 social enterprise business models (Nickerson et al., 2013), focusing on actor engagement in value creation, reception, and payment (Bocken et al., 2014; Laasch, 2018b). We categorize actors by their institutional field and use cluster analysis to identify types of hybrid value logics based on actor integration (Kundisch et al., 2022; Nickerson et al., 2013; Piaskowska et al., 2021). Our study identifies three distinct types of hybrid value logics, each exhibiting considerable variation in the integration of social actors (embedded in an institutional field dominated by a social welfare logic) and commercial actors (embedded in an institutional field dominated by a commercial logic). Socially dominated *value co-creators* (type 1) prioritize extensive integration and empowerment of social actors within their business model, engaging them across all components: creating, paying for, and receiving value. Balanced *value integrators* (type 2) allocate active roles to both social and commercial actors, facilitating their connection across

multiple components. Conversely, *value providers* (type 3) focus on value creation primarily with commercial actors, while social actors play a more passive role as value recipients.

Our study offers three contributions to the previously outlined literature. First, the study challenges the underlying assumption that all social enterprises operate under a uniform hybrid value logic and highlights a spectrum of combinations of institutional logics at the organizational level (Litrico & Besharov, 2018; Shepherd et al., 2019). By identifying and categorizing three distinct types of hybrid value logics (*value co-creators, value integrators*, and *value providers*), the findings offer a nuanced understanding how different social enterprises combine social and commercial logics in varied ways. The taxonomy further develops the understanding of hybridity as a degree rather than a uniform concept (Litrico & Besharov, 2018; Shepherd et al., 2019), emphasizing that social enterprises exhibit varying degrees of hybridity depending on how they combine and manage institutional logics. Our taxonomy advances this understanding by conceptualizing hybridity in terms of the intensity and nature of external actors' integration into the business model. In doing so, this study contributes to the literature by providing a means to potentially operationalize the degree of hybridity, adding to previous developments dominated by conceptual or qualitative approaches to understand hybridity (Cornelissen et al., 2021; Litrico & Besharov, 2018; Wry & York, 2017).

Second, this article extends the understanding of hybrid value logics by emphasizing the role of a broader array of stakeholders beyond internal actors like founders, managers, and employees. By examining the influence of various actors (social and commercial) who engage in value creation, reception, and payment, the study underscores the importance of stakeholder integration and collaboration in shaping the hybrid value logics within social enterprises. Thereby, we build on the social entrepreneurship literature on co-creation and collaboration and add a logic perspective to it by demonstrating how social enterprises differ in constructing networks of diverse actors to create unique hybrid value logics (De Silva et al., 2020; Di Domenico et al., 2020; Rey-García et al., 2019).

Third, the creation of an empirically based taxonomy of hybrid value logics contributes to a systematic framework for analyzing differences among social enterprises. This contribution extends the existing literature, which has theoretically demonstrated that social enterprises vary in key aspects, such as how they integrate beneficiaries (e.g., Besharov & Mitzinneck, 2020; Saebi et al., 2019; Santos et al., 2015). This taxonomy not only helps in categorizing social enterprises but also provides a structured way to understand the implications of different hybrid value logics on the social impact of these

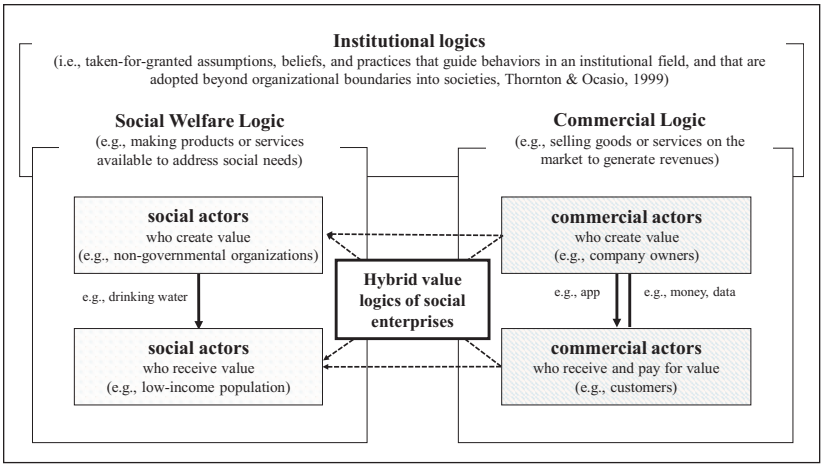

Figure 1. The Hybrid Value Logic of Social Enterprises: A Configuration of Actors Belonging to Different Institutional Logics.

enterprises. As such, for instance, our taxonomy provides new theoretical grounds for future research on the role of challenges (e.g., the occurrence and management of tensions) and opportunities (e.g., the solution of specific social/environmental problems) arising from combining different institutional logics.

Hybrid Value Logics and the Role of External Actors in Their Enactment

To ensure the effective functioning of social enterprises, diverse actors are involved in receiving, creating, and capturing value (Davies & Doherty, 2019; Ostertag et al., 2021; Santos et al., 2015; Yunus et al., 2010). In the context of social enterprises, actors connected to both the social welfare and commercial institutional logics are particularly relevant (see Figure 1). According to the social welfare logic, organizations provide products and services that address societal challenges to improve the lives of beneficiaries (Pache & Chowdhury, 2012; Pache & Santos, 2013). In this vein, social enterprises collaborate with social actors such as nonprofit partners, charitable funders, and beneficiaries from the social sector (Ostertag et al., 2021; Pache & Chowdhury, 2012). For instance, social enterprises target disadvantaged, low-income populations that are often low in status, less able to act collectively, and unable or unwilling to pay for certain products or services

(Ebrahim et al., 2014; Santos, 2012; Santos et al., 2015). These target groups frequently lack the power to change their situation and therefore rely on the goods, services, or activities provided by non-governmental organizations, communities, and government agencies (Pache & Chowdhury, 2012; Saebi et al., 2019; Seelos & Mair, 2005). Social enterprises help these social actors meet their needs (e.g., housing, health, employment, or education) and/or address broader societal needs (e.g., environmental health or national security). The focus of a social welfare logic tends to be at the local level, aiming to achieve a social mission through non-profit structures (Pache & Chowdhury, 2012).

In contrast, a commercial institutional logic is based on the premise of selling products and services to generate a financial surplus that is appropriated by the enterprise's owners and shareholders (Pache & Chowdhury, 2012; Pache & Santos, 2013). Interactions are primarily built around relationships with commercial actors, including customers who provide financial resources and business partners or investors who contribute other forms of capital (Pache & Chowdhury, 2012). These commercial actors often function as enablers of the social or environmental missions of social enterprises by offering the necessary resources to develop products or services (Mair & Martí, 2006; Saebi et al., 2019). Furthermore, their willingness and ability to purchase these offerings generate revenue for the enterprise (Bowman & Ambrosini, 2000; Freudenreich et al., 2020; Lepak et al., 2007), making commercial actors integral to sustaining both economic and social value creation. In a commercial logic, the primary actors responsible for transforming resources into value are founders, employees, and occasionally customers who participate as co-creators in the value proposition (Bowman & Ambrosini, 2000; Payne et al., 2008; Priem, 2007; Ranjan & Read, 2016). While customers may express interest in an organization's social mission, their primary engagement with the enterprise is through their economic power, exchanging financial resources for goods and services (Freudenreich et al., 2020; Pache & Santos, 2013).

While a diverse range of actors play a role in social enterprises, the literature acknowledges that social enterprises vary systematically in their relationships with external actors (Ostertag et al., 2021; Savarese et al., 2021). For instance, scholars argue that social enterprises differ in the roles they ascribe to beneficiaries, such as whether beneficiaries work for the social enterprise (Saebi et al., 2019) or whether they pay for the goods and services they receive (Santos et al., 2015). Additionally, within the broader concept of social entrepreneurship, research suggests that social enterprises vary in how and which communities are integrated (Lumpkin et al., 2018), indicating that different actors are involved in distinct ways. When considering commercial

actors, the literature also highlights differences in how social enterprises collaborate with these stakeholders (Savarese et al., 2021). Their integration can range from loose collaboration based on philanthropic relationships to more integrative types where hybridity is prominent.

The involvement of diverse actors from different institutional spheres is crucial to both the opportunities and challenges encountered by social enterprises (Savarese et al., 2021; Wry & York, 2017). Engaging actors embedded within distinct institutional logics allows social enterprises to adopt innovative approaches to addressing complex, "wicked" problems (Zhao & Lounsbury, 2016). By drawing on insights from multiple fields, social enterprises can craft more holistic, multifaceted solutions that address social and environmental issues from various perspectives (Battilana & Lee, 2014; Nicholls, 2010). However, integrating actors from diverse institutional spheres also brings the potential for challenges. These challenges include tensions that arise because each group of actors is driven by different institutional logics, such as the profit-driven goals of commercial actors or the mission-oriented focus of social actors (Pache & Santos, 2013; W. K. Smith et al., 2013; W. K. Smith & Lewis, 2011). To succeed, social enterprises must continuously navigate and mediate tensions, finding ways to balance the often-competing demands of their stakeholders in value creation, delivery, and capture (Battilana & Dorado, 2010; Fitzgerald & Shepherd, 2018; Pache & Santos, 2013). While some enterprises manage to balance these tensions effectively through innovative governance models or by fostering cross-sector collaborations (Ostertag et al., 2021; Pache & Santos, 2013), others struggle with the inherent contradictions posed by these differing logics.

Despite the importance of external actors, our understanding of how social enterprises integrate diverse institutional logics remains limited. Exploring the variations in how social enterprises engage with and combine actors from different institutional fields is critical for advancing our understanding of their hybridity. Such knowledge is vital for uncovering the strategies they employ to reconcile social and financial sustainability in their operations (Battilana & Dorado, 2010; Ebrahim & Rangan, 2014). We propose that the roles played by different types of actors explain how social welfare and commercial institutional logics vary in relevance among social enterprises, thereby accounting for systematic variations in hybrid value logics. Thus far, the literature has primarily focused on founders, managers, and employees as the translators of institutional logics within their organizations (Battilana & Dorado, 2010; Laasch, 2018a; Wry & York, 2017). In the same vein, Laasch (2018a, p. 407) reinforces that "[v]alue logics are understood to be embodied in organizational members, be it managers [. . .] or entrepreneurs."

While this internally focused and often identity-related perspective holds important implications for understanding the role and management of institutional logics, it does not fully capture the essence of social enterprises as builders of webs of actors from different institutional logics (Lashitew et al., 2020; Pache & Chowdhury, 2012; Pache & Santos, 2013; Savarese et al., 2021). Beyond organizational members, we propose that external actors engaged in the business model, along with their embeddedness in specific institutional logics, play a pivotal role in shaping which beliefs and practices from institutional logics become relevant to a hybrid value logic. Drawing on literature that highlights differences in how social enterprises create value and collaborate with beneficiaries and corporates, we challenge the current assumption that the hybrid value logics of all social enterprises conform to a single type of institutional logic combination (Laasch, 2018b; Pache & Santos, 2013; Spieth et al., 2018). There appears to be more than one possible configuration of how institutional logics shape hybrid value logics, extending beyond the straightforward juxtaposition of social welfare and commercial institutional logics (Besharov & Smith, 2014; Fu, 2024).

To explore the differences in hybrid value logics, we ask: *How do social enterprises integrate diverse actors, each embedded within distinct institutional logics, into their business models?*

Methods

To better understand hybrid value logics and how they differ between social enterprises, we develop an empirically based taxonomy. Developing a taxonomy enables us, first, to understand hybrid value logics as configurations of different characteristics (Bailey, 1994; Miller, 1996). This means that hybrid value logics are not only understood as "simple" combinations of social welfare and commercial institutional logics, but that we can investigate how actors who are shaped by different institutional logics are systematically integrated into different parts of the business model, building a certain logic pattern for each social enterprise. Second, a taxonomy allows us to classify logics into groups that share empirically observable and measurable characteristics (Bailey, 1994; Miller, 1996). In this way, a taxonomy allows for providing clarity to complex and insufficiently explored phenomena (Hambrick, 1984; Miller, 1996). The iterative development of the taxonomy follows two steps (adopted from Kundisch et al., 2022; Nickerson et al., 2013): (a) a qualitative content analysis is conducted to help identify important characteristics, and (b) based on the qualitative results, a cluster analysis is undertaken to categorize organizations with similar combinations of characteristics (Piaskowska et al., 2021).

Sample

To identify an appropriate sample of social enterprises, we conducted a rigorous sampling selection process. First, consulting previous empirical academic contributions on hybrid organizations—in particular, on social enterprises (e.g., Casasnovas & Bruno, 2013; Dees & Anderson, 2006; Mair et al., 2012; Nicholls, 2010; Seelos & Mair, 2005)—we selected four international organizations that award and support social entrepreneurs: The Schwab Foundation for Social Entrepreneurship, Echoing Green, Unreasonable Group, and Ashoka. We did so as all awarding organizations included criteria that reflect hybrid institutional logics, which increased the likelihood of being able to observe diverse hybrid value logics in sufficient detail. Moreover, this approach is adopted by other researchers (e.g., Chandra et al., 2022; Grimes et al., 2018; Mair et al., 2012, 2015) due to the absence of a standardized official legal form for social enterprises (Mair et al., 2015; Nicholls, 2010; Short et al., 2009). While we acknowledge that our sample may not fully represent the entire spectrum of social entrepreneurs and enterprises, it nonetheless provides a valuable basis for systematic analysis. The selected organizations are characterized by their comprehensive, extensive, and accessible information, which facilitates a deeper understanding of their operational dynamics and value creation processes. Furthermore, our international sampling approach mitigates potential country biases and enhances the heterogeneity of the business models included in our dataset.

Second, we screened all social entrepreneurs awarded by one of these four organizations to ascertain whether their enterprises adopted business models influenced by multiple institutional logics (Table 1). Through this screening, we observed that organizations older than 10 years have often diversified and adapted their business models to such an extent that clearly identifying their original hybrid value logics became challenging. As these enterprises matured (e.g., Grameen Bank), they frequently expanded their revenue streams, engaged with a broader range of stakeholders, and integrated additional value propositions, leading to more complex and multifaceted business models. This evolution made it increasingly difficult to categorize older enterprises within a parsimonious taxonomy, as they tended to blend multiple logics in ways that were not easily distinguishable. Since a core objective of our taxonomy is to identify a concise yet representative set of archetypes that capture the fundamental components of social enterprise business models, we determined that focusing on enterprises less than 10 years old at the time of their inclusion in the dataset would be more effective. Younger social enterprises are more likely to retain a clearer alignment with their foundational business model, making it easier to identify the institutional logics that shape

Table 1. Sample Composition.

International organizations	Schwab Foundation	Echoing Green	Unreason-able Group	Ashoka
Awarded individuals	345[a]	792[a]	112[a]	548[b]
Organizations				
Social mission	22	57	78	108
Revenue generating				
Founded less than 10 ago				
Double-awarded cases		−25		
Inactive or acquired		−14		
Inadequate information		−13		
Final sample		*N* = 213		

[a]Awarded individuals until 2018.
[b]Awarded individuals 2008 to 2018.

their operations. This focus enables us to capture the core elements of social enterprise business models and thereby develop a taxonomy that reflects distinct and original types of hybrid value logics.

Third, while developing and coding the dimensions for our taxonomy, further exclusion criteria emerged. Social enterprises that were inactive, had been acquired by another enterprise (e.g., Protoprint, Ampere Vehicles), or that did not provide adequate information (e.g., Qorax Energy, whose website included dummy text passages) were also excluded. Applying these criteria resulted in a final sample of 213 social enterprises spread across the globe (14% from Africa, 30% from Asia, 21% from Europe, 11% from Central and South America, 23% from North America, 1% from Oceania), with an average organizational age of 7.44 years ($SD = 2.28$). A full list of the social enterprises in our dataset can be found in the Supplemental Material.

Procedure

Following a well-established approach for taxonomy development (Bailey, 1994; Nickerson et al., 2013), we employed a two-phase approach (Figure 2). In Phase 1, we iteratively developed characteristics based on self-published materials (e.g., websites, press releases, and content from social media accounts). In Phase 2, we analyzed the social enterprises according to these characteristics to identify types. We drew on four common ending conditions (Bailey, 1994; Miller, 1996; Nickerson et al., 2013), requiring the taxonomy's attributes to be: (a) explanatory, that is, the developed characteristics and the

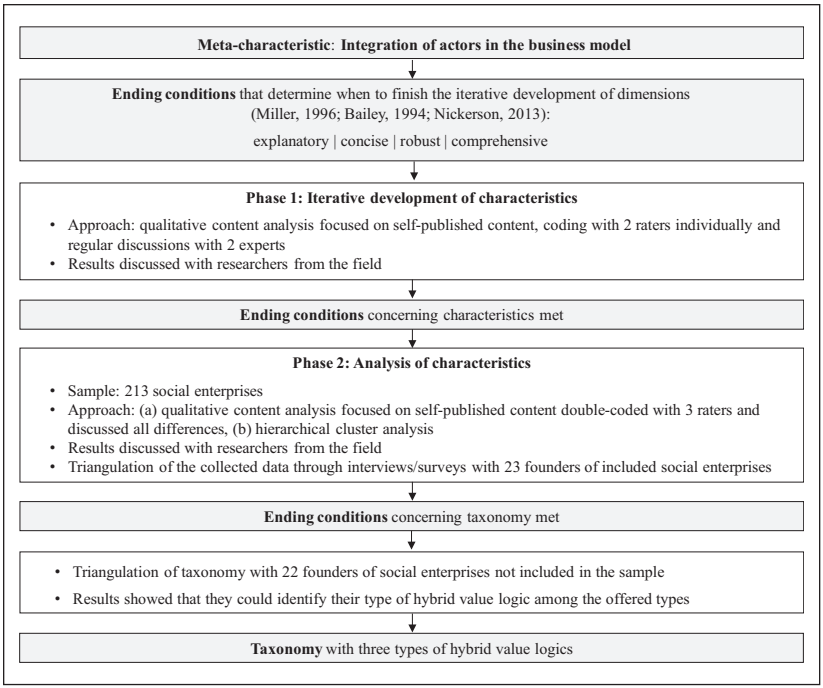

Figure 2. Methodological Approach to the Taxonomy Development.

resulting taxonomy should contribute to our understanding of heterogeneity in the hybridity of social enterprises, rather than being merely descriptive; (b) concise, that is, the number of dimensions and the resulting clusters in the taxonomy should be parsimonious in terms of the quantity of the different dimensions and clusters; (c) robust, that is, the developed dimensions should be sufficient in their ability to show the different ways in which social enterprises engage in value creation; (d) comprehensive, that is, the resulting taxonomy should be able to classify all forms of value creation in social enterprises.

After completion of each phase, we reflected upon the dimensions and derived a preliminary taxonomy, which we then discussed with scholars experienced in the field of social entrepreneurship and business modeling. These discussions allowed us to determine whether the previously defined ending conditions were already met. In a final step, we triangulated our taxonomy by inviting 22 founders of social enterprises to classify the value logic of their companies into the different types that we had formulated.

Iterative Development of Characteristics (Phase 1)

The first phase was aimed at iteratively identifying characteristics that would allow us to detect and code the involvement of the different actors in the business model (Nickerson et al., 2013). We consulted the literature to derive characteristics that describe the components of business models (e.g., Almquist et al., 2016; Mair et al., 2012; Maslow, 1943; Tuzzolino & Armandi, 1981). Afterwards, we developed operational definitions that allowed for consistent coding in the second phase of the taxonomy's development. We used self-produced texts—a source previously used for analyzing institutional logics (e.g., Jones & Livne-Tarandach, 2008; Litrico & Besharov, 2018; Mair et al., 2012)—to find out how social enterprises describe the actors involved in their business models. This iterative process resulted in a detailed coding scheme and process for the characteristics and corresponding definitions that operationalize the actor groups and the three ways in which actors engage in the business model (see Appendices A and B).

Explanatory Characteristics. The explanatory characteristics encompassed the involvement of actors in the business model, representing the intensity of the different logics incorporated (see Shepherd et al., 2019): *who receives value, who pays for the value*, and *who creates value* (Table 2, Appendix A). To code the degree of involvement of the actors in these functions, we developed an operationalization of actors and then derived the characteristics that helped to identify their involvement in the business model. We operationalized *social actors* as represented by one or more of the following three groups: disadvantaged individuals (e.g., due to disabilities, poverty, gender, or ethnicity), organizations/communities (e.g., schools, cities, sports clubs), and the natural environment (e.g., issues concerning biodiversity, or water quality). *Commercial actors* fell into two groups—individual customers and companies—who are paying for products/services but are not directly affected by the social/environmental issue that the social enterprise aims to tackle.

Descriptive Characteristics. We defined a set of descriptive characteristics to further describe the sample and the resulting clusters, and to later validate the differences between them (Bailey, 1994). One variable describes the specific need(s) the social enterprise seeks to meet (i.e., physiological, health, access to infrastructure, education, employment, recognition, functional, environment, commercial functional, and commercial emotional), and is indicative of the value that the social enterprise aims to offer. Moreover, we coded the year in which the social enterprise was founded, the number of employees, and the country where it was founded.

Table 2. Explanatory Characteristics Used for Taxonomy Building.

Explanatory characteristic	Measurement
Who receives value?	
Commercial actors[a]	1 = commercial actors' needs addressed
	0 = only social actors' needs addressed
Who pays for the value?	
Social actors	1 = a group of actors pay for the product/service provided
	0 = a group of actors does not pay for the product/service provided
Commercial actors	1 = a group of actors pay for the product/service provided
	0 = a group of actors does not pay for the product/service provided
Who creates value?	
Social actors	1 = a group actors contributes to the creation of product/services
	0 = does not contribute
Commercial actors	1 = a group actors contributes to the creation of product/services
	0 = does not contribute

[a]Only one characteristic exists because all social enterprises are by definition required to provide value for social actors.

Analysis of Characteristics (Phase 2)

In the second phase, five researchers and research assistants, all of whom are familiar with the field of social entrepreneurship, independently coded the original data along with the coding scheme by identifying quotes from the enterprises' websites, press releases and social media accounts (profiles on Facebook, Twitter, or LinkedIn) to justify their choice. If these sources did not provide sufficient information to code the characteristics, the coders drew on content approved by the organization (e.g., interviews containing direct citations by the founders, and published company reports). In this way, our analysis ensured that we had enough information to map the integration of actors in the business models of the sampled social enterprises. We focused on information provided by the enterprises themselves because we wanted to follow the reasoning that underpins their business model.

After double-coding all the social enterprises in the sample, and to ensure the consistency of the coding throughout the sample, the team of coders discussed each decision based on the coding scheme and the individually derived quotes. We triangulated the coded data by providing a concise summary of

our coding in an email sent to the startup founders whose social enterprises were included in our sample. Out of 127 founders who were asked to verify our coding, we received replies from 23, and, as only 3 of these cases required minor adjustments, we were satisfied with the high level of reliability of our coding.

To identify different types of hybrid value logics, we used cluster analysis as a method to detect patterns in the combinations of characteristics (Hambrick, 1984; Ketchen & Shook, 1996). Drawing on Mair et al. (2012) and Khelil (2016), we conducted a hierarchical cluster analysis to identify patterns in the data and obtained several clusters, which involved grouping empirical observations into homogeneous clusters through a set of explanatory characteristics (Bailey, 1994; Khelil, 2016). Observations within a cluster are similar, while observations between clusters are heterogeneous (Ketchen & Shook, 1996).

In the first step, a distance measure was calculated for each observation in relation to all other observations (Bailey, 1994). As a distance measure, we used the Jaccard index because it classifies similarities in existing characteristics (e.g., two social enterprises propose value to commercial actors) and non-existent characteristics (e.g., social actors are not paying for the value they receive). Besides theoretical considerations concerning the distance measure, simulation studies have shown that the Jaccard index is suitable for binary explanatory variables (Finch, 2005). In a second step, an algorithm was chosen to regulate how observations are combined into groups (Bailey, 1994). For the clustering algorithm, we decided to use the Ward method, which is suitable for binary data (Finch, 2005; Hands & Everitt, 1987).

To obtain the optimal number of clusters, we drew on multiple techniques (Ketchen & Shook, 1996). First, we calculated indices, which measure the dispersion of the data points within and between clusters. To identify the optimal number of clusters, indices proposed by Davies and Bouldin (1979) and by Caliński and Harabasz (1974) have been shown to perform well with binary data (Dimitriadou et al., 2002). In our analysis, it resulted in an optimal number of seven. Second, we interpreted the results of differing cluster numbers to understand how many clusters were needed to meaningfully divide the cases in our dataset. When comparing the seven clusters, we found that the seven-cluster solution could be meaningfully integrated into three overarching types.

Results

The resulting taxonomy consists of three overarching types of hybrid value logics and seven sub-clusters, which show different logics among social enterprises (Table 3, for the descriptive variables, see Appendix C). First, the

Table 3. Results of Cluster Analysis: Difference Testing of Hybrid Value Logics of Social Enterprises.

	Types of hybrid value logics of social enterprises								
	VC		VI				VP		
	Approaches to hybrid value creation								
Integration of actors into the business model	VC1	VC2	VI1	VI2	VI3	VI4	VP1	*F* test	*p*-Value
Who receives value?									
Social actors	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Commercial actors	0.00	0.00	1.00	1.00	1.00	1.00	1.00	14.52	.000**
Who pays for the value?									
Social actors	1.00	1.00	0.00	0.00	1.00	1.00	0.00	54.18	.000***
Commercial actors	0.00	0.00	1.00	1.00	1.00	1.00	1.00	15.84	.000***
Who creates the value?									
Social actors	1.00	0.00	1.00	1.00	1.00	0.00	0.00	41.57	.000***
Commercial actors	1.00	1.00	0.00	1.00	1.00	1.00	1.00	30.80	.000***
n	13	35	8	24	16	49	68		

Note. VC = value co-creators; VI = value integrators; VP = value providers.
**Significant at 1%.
***Significant at .1 %.

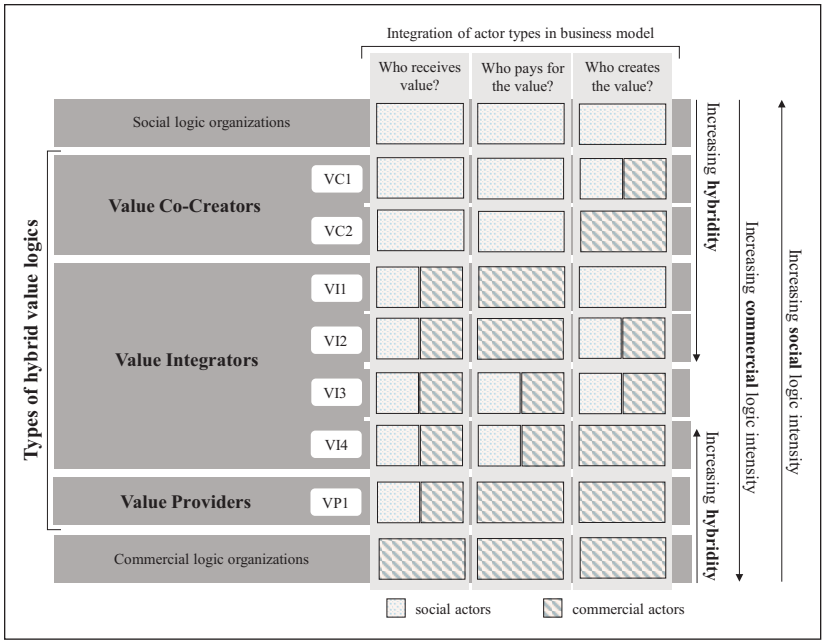

Figure 3. Types of Hybrid Value Logics by Integration of Actor Types in the Business Model.

logic of socially-dominated *value co-creators* (type 1) is dominated by integrating social actors into all parts of the business model and thereby empowering these actors in co-creating, receiving, and paying for a needed value. Second, the logic of *value integrators* (type 2) is the most hybrid of the value logics we found, because they enable interactions between various social and commercial actors by integrating them into their business models. Third, the logic of *value providers* (type 3) implies that social enterprises place social actors as receivers of value, while they take a leading role in creating value, and identify a way for commercial actors to receive and pay for the value to sustain the value provision to social actors. Figure 3 shows how these three types of hybrid value logics systematically differ in their configuration of social and commercial actors throughout the three components of the business model. The three types can be distinguished by the degree to which they integrate social and commercial actors into their business model: (a) the extent to which they provide value to commercial actors ($F = 14.52$; $p < .000$), (b) the extent to which they receive monetary value from social ($F = 54.18$;

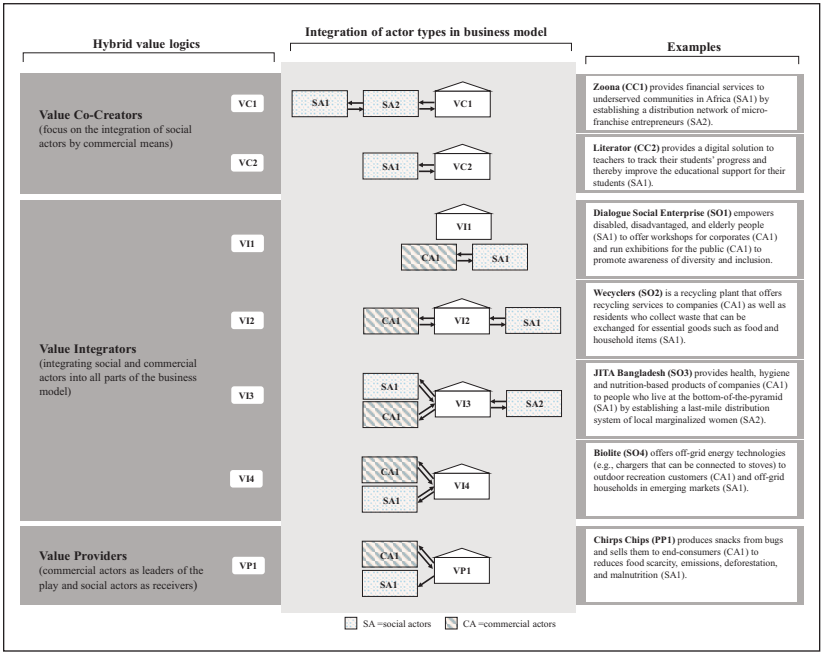

Figure 4. Different Types of Hybrid Value Logics of Social Enterprises.

$p < .000$) and/or commercial actors ($F = 15.84$; $p < .000$), and (c) the extent to which social ($F = 41.57$; $p < .000$) and/or commercial actors contribute to the creation of value ($F = 30.80$; $p < .000$).

Type 1: Value Co-Creators (VC)—Focused on the Integration of Social Actors

Social enterprises that follow a type 1 logic make a point of integrating social actors into their business model. While they act as commercial actors (i.e., providing a product/service and receiving a financial return), they select social actors (e.g., disadvantaged people) as receivers and paying actors for the enterprise's product or service, and partially co-create the product/service with them. Thus, they assign an active role to social actors and aim to empower them via this role. In this way, social enterprises following a type 1 hybrid value logic may be seen as *socially dominated value co-creators* (sub-clusters: VC1, VC2) that provide opportunities to social actors and depend on social actors in their business model (Figure 4).

While all the social enterprises in this cluster provide value to social actors and require them to pay for the value provided, they differ in the way they integrate social actors in how value is created and delivered. The enterprises in cluster VC1 additionally integrate social actors when creating or delivering value to another social target group, who, in turn, might purchase the value offered. Because of the maximum integration of social actors, both organizations in clusters VC1 and VC2 depend on their social target group(s) to realize their business model. Thus, organizations in both clusters lean toward a social welfare logic in terms of how they design their business model, and in the way they depend on actors that are trained in the social welfare logic. In comparison to all other clusters, VC1 and VC2 have the lowest number of groups of actors included in their business model (VC1 mean number = 1.77; VC2 mean number = 1.60; $F = 18.73$; $p < .000$; see Appendix C).

An example of VC1 is Zoona, which provides financial services to underserved communities in Africa (first group of social actors) through a distribution network of micro-franchise entrepreneurs (second group of social actors). When describing who Zoona (2018) proposes value to, the organization explains that "[t]he majority of people in Africa have no access to formal financial services." To solve this problem, Zoona (2018) "provide[s] entrepreneurs with a micro-franchise 'business-in-a-box' that enables them to offer financial services, serve their communities, employ staff, and earn an income." In exchange for these financial services, Zoona (2017) receives money for each of the transactions the social actors conduct via its services. Zoona (2017) "develop[s] financial services" but can only offer these services in cooperation with "emerging entrepreneurs in the countries [Zoona] operate[s in], providing them with the technology, capital, and business support to start their own business as Zoona agents." Thus, Zoona describes its business model in a way that integrates social actors to the greatest extent possible.

A similar but slightly different logic is adopted in VC2. One example is Literator, a social enterprise that supports teachers in the form of a digital app that can track their students' progress. Thus, it creates and provides value to social actors by "build[ing] solutions to improve the quality of instruction to meet individual student needs" (Ching, 2018). Teachers can either use a free app version or, for instance, purchase an individual license that allows them to "[w]ork with small groups, track goals over time, add custom skills, [and] professional development training" (Literator, 2018). In contrast to the hybrid value logic of VC1, organizations in the VC2 cluster do not integrate social actors in the creation of value, which means that the organization is taking a more prominent role in providing it. Thus, organizations in cluster VC2 are less dependent on social actors. But at the same time, the social actors are

more dependent on the organization than in the case of VC1. Thus, Literator is also driven by a social welfare logic by virtue of their customers being social actors, and thereby act or work in a context that is determined by a social welfare logic.

Type 2: Value Integrators (VI)—Integrating Social and Commercial Actors Into All Parts of the Business Model

Social enterprises that follow a type 2 logic are the most hybrid enterprises in our sample, as they integrate both social and commercial actors into different parts of their business model (Figure 4). In this way, social enterprises adopting a type 2 logic are intertwining the roles of social and commercial actors and thereby kind of make social and commercial actors depend on each other to fulfill their needs. For instance, social enterprises following this logic integrate social actors as those that co-create, receive, and pay for value, while commercial actors are also involved in co-creating, receiving, and paying for a value. In this way, social enterprises following a type 2 hybrid value logic may be seen as *value integrators* (sub-clusters: VI1, VI2, VI3, VI4) by initiating a system of exchange that connects social and commercial actors with each other via their business model. The orchestrating role of social enterprises in this type of hybrid value logic is underlined by the greater number of different groups of actors that those hybrids integrate into the business model, compared to the other types of social enterprises (VI1 mean number = 2.62; VI2 mean number = 2.75; VI3 mean number = 2.94; VI4 mean number = 2.84, $F = 18.73$; $p < .000$).

An example of the hybrid value logic in VI1 is Dialogue Social Enterprise, which helps people with disabilities, elderly people, and those who are disadvantaged (social actors) to offer workshops for companies and run exhibitions for the public (commercial actors) to promote awareness of the importance of diversity and social inclusion. Dialogue Social Enterprise (2019) proposes value by "transform[ing] the general public's perception of disabled people from one of 'helpless' to 'able.'" To sustain its operations, "Dialogue Social Enterprise receives a license payment from business partners (franchisees) that operate exhibitions or facilitate workshops" (Dialogue Social Enterprise, 2019). Since the "[w]orkshops are hosted by disabled, disadvantaged and elderly people" (Dialogue Social Enterprise, 2019), Dialogue Social Enterprise strongly depends on social actors, with its own role being restricted to connecting groups of actors. In this way, the hybrid value logic in cluster VI1 is strongly determined by a direct exchange between social and commercial actors.

An example of this approach is the Nigeria-based social enterprise Wecyclers (VI2), a recycling plant that offers recycling services to companies (commercial actors) and to residents who collect waste that can be exchanged for essential goods such as food and household items (social actors). Wecyclers (2018b) offers value to "[p]eople living in slum conditions without formal waste collection [and that] are at risk of property damage; the spread of diseases such as malaria, cholera, and dysentery; and undue psychological stress." It also offers value to commercial actors by "develop[ing] a customized and cost-effective recycling plan that meets [. . .] organizations' needs" (Wecyclers, 2018a). Wecylcers' operations are sustained by offering recycling services to corporate clients. In creating value, both Wecylcers and social actors play an important role. Wecyclers (2018b) explains that it is a "rewards-for-recycling platform that incentivizes people in low-income communities to capture value from recyclable waste." Moreover, "[a]s [people living in slum conditions] give materials to [Wecyclers], [Wecyclers] reward[s] [their] service subscribers with points per kilogram of recycled waste, which they can exchange for essential goods such as food and household items" (Wecyclers, 2018b). Thus, compared to the approach adopted by organizations in cluster VI1, organizations in cluster VI2 play a more dominant role in their business model as their competence is needed to offer value to a group of commercial actors. Compared to VI1, the exchange between social and commercial actors is less direct.

An example of VI3 is JITA Bangladesh, which illustrates the maximum integration of social and commercial actors into the business model. JITA Bangladesh provides health, hygiene, and nutrition-based products of partner companies to people who live at the bottom of the income pyramid by establishing a last-mile distribution system for local marginalized women. JITA (2019b) explains that it provides "a unique rural distribution model for improving the lives of Bottom of the Pyramid (BoP) households and underprivileged rural women" (two groups of social actors). Moreover, JITA (2019c) offers value to a group of commercial actors by "creat[ing] a pathway for different health, hygiene and nutrition-based products of our partner companies approaching underprivileged households." The value is delivered by a group of social actors that JITA (2019a) calls "Aparajitas": "women who are most marginalized from the formal economy and act as last-mile sales agents, selling products and services from door-to-door." To sustain its operations, JITA receives revenues from both commercial actors (consulting services to connect companies with base-of-the-pyramid markets and extend their solutions) and social actors (sales from products to base-of-the-pyramid households). While this approach—co-creating value by integrating social actors to serve another group of social actors—is similar to that adopted by

organizations in cluster VC1, enterprises in VI3 additionally integrate commercial actors by making them pay for the value they receive. Compared to the approach adopted by VI2 enterprises, which also integrate social actors in creating value to propose value to commercial actors, those in VI3 additionally provide value to social actors.

An illustration of the hybrid value logic in cluster VI4 is provided by BioLite, which offers off-grid energy technologies (e.g., chargers that can be connected to stoves) to outdoor recreation customers and off-grid households in emerging markets. Thus, BioLite (2018) proposes value not only to social actors, who "lack[. . .] clean, affordable household energy, cooking meals on smoky open fires and having little or no electricity in their homes," but also to commercial actors, that is, "outdoor recreation users seeking fuel-independent cooking and charging." Both groups of actors pay for the products either directly (commercial customers) or with the help of microfinance institutions (social actors). Their business model mainly depends on the ability of BioLite (2018) to "develop core energy technologies that are applicable to both markets." The approach by organizations in cluster VI4 resembles VI3, because both offer products/services to groups of commercial and social actors. However, the role of organizations in cluster VI4 in creating value is more dominant because they do not integrate social actors into creating value.

Type 3: Value Providers (VP)—Focused on the Provision for Social Actors

Social enterprises following a type 3 logic rely to a great extent on commercial actors in their business model and involve social actors only in the role of receiving value (Figure 4). In this way, the actors within the enterprise and commercial actors take a much stronger role in the business model compared to the type 1 logic. In this way, social enterprises following a type 3 hybrid value logic may be seen as *value providers* (sub-cluster: VP1) who provide the product/service to commercial actors and thereby support social actors.

An example of a value provider is Chirps Chips, which produces snacks from bugs and sells them to end-consumers to reduce food scarcity, air pollution, deforestation, and malnutrition. Chirps Chips thus offers value to a commercial group of actors as they aim to "get people excited about eating bugs" (Chirps, 2018a). By "normaliz[ing] entomophagy (the practice of eating bugs) and replac[ing] a substantial portion of the current meat-market with insects, the difference could disrupt resource scarcity, food waste, GHG emissions, deforestation, and malnutrition" (Chirps, 2018b). Thus, Chirps Chips aims to offer value to a (very broad) social target group. It creates value

without the explicit integration of a group of social actors. Commercial actors pay for the products, which they can purchase wholesale. The logic of organizations in cluster VP1 differs most clearly from those in clusters VC1 and VI3 by applying the lowest level of integration of social actors in the business model. Social enterprises of type VP1 integrate social actors only in their role of value recipients, but who neither pay for nor co-create the value. Hence, organizations following the approach of cluster VP1 show the weakest degree of integration of social actors and integrate commercial actors the most (as paying customers), alongside their own organization as manufacturers of the value.

Post Hoc Analysis and Findings

While identifying the various types of hybrid value logics, we made additional observations highlighting their distinctiveness. To provide a deeper understanding of these logics, we conducted a detailed descriptive analysis of seven sub-types, focusing on (a) the type of actors, (b) the number of actors, and (c) the needs of the actors addressed and integrated into the business model (see Appendix C). We found significant differences in all three aspects. Here are three main observations: First, hybrid value logics differ in the types of actors they integrate. Some focus more on incorporating disadvantaged individuals ($F = 7.91$, $p < .001$), while others emphasize integrating companies ($F = 9.03$, $p = .003$). Second, certain hybrid value logics involve significantly more diverse actors ($F = 18.73$, $p < .001$), making them more complex due to the varied demands they impose on the social enterprise. Third, some hybrid value logics are more responsive to specific actors' needs. For example, they address infrastructure needs more frequently ($F = 23.06$, $p < .001$). We will discuss the implications of these findings in more detail later.

Different Types of Hybrid Value Logics—Different Combinations of Institutional Logics

If we consider the degree of integration of actors into the business model (receiving, paying, co-creating) as one important way of institutional logics being instantiated in social enterprises, we can map the types of hybrid value logics of social enterprises on a spectrum of varying intensities, in terms of the extent to which they prioritize a social welfare, at one end, or a commercial logic, at the other end, or balance the two more evenly, when combining the two logics. Accordingly, we discuss and map our identified hybrid value logics along the two hybridity dimensions proposed by Shepherd et al.

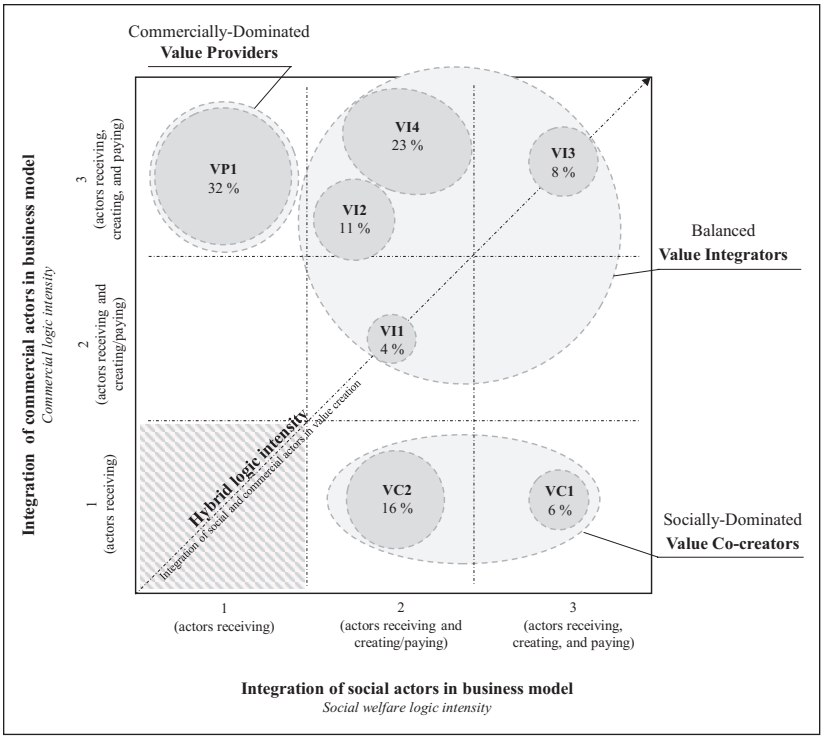

Figure 5. Hybrid Value Logics According to Institutional Logic Intensities (Based on Shepherd et al., 2019).
Note. Each square represents one role a social or commercial actor may take (i.e., creating, receiving, paying).

(2019): (a) the importance of each logic, that is, *logic intensity*, and (b) the relationship between the logics, that is, *logic relativity* (Figure 5). Here, logic intensity is the extent to which social or commercial actors are included in their business model (receiving, paying, co-creating), and logic relativity is the ratio of the extent to which both social and commercial actors are integrated in the business model. Subsequently, one square in Figure 5 equals one role an actor may take in a business model (i.e., creating, receiving, or paying). The more up on the *y*-axis and the more left on the *x*-axis, the more roles the respective type of actor takes in the business model.

In this way, we can understand *value co-creators* as those social enterprises that most strongly integrate social actors into their business model (receiving, paying, and some also co-creating). This approach is characterized by a high

social welfare logic intensity. Moreover, they range low in terms of logic relativity as the commercial actors, such as the enterprise or customers, take fewer roles than social actors. *Value integrators* who integrate social and commercial actors in diverse roles into their business models are high in social welfare and commercial logic intensity and thereby have a high logic relativity. *Value providers*, who give commercial actors a dominant role in their business model, are opposite to *value co-creators*, by showing high commercial logic intensity and low logic relativity between the two institutional logics. The percentage in the bubbles and the size of the bubbles signify the proportion of social enterprises in our sample that fell into their respective sub-cluster.

Discussion

There is growing interest in the diversity of social enterprises (Battilana & Lee, 2014; Fu, 2024; Saebi et al., 2019; Shepherd et al., 2019). As hybridity becomes increasingly prevalent in today's organizations (Glynn et al., 2020), we need to gain a more nuanced understanding of how hybridity is enacted, particularly in its varied manifestations. This study enhances our understanding of differences between social enterprises by examining how they differ in their hybrid value logics. By analyzing 213 social enterprises, we develop a taxonomy that identifies three different types of hybrid value logic enactment: (a) *value co-creators* prioritize the comprehensive integration and empowerment of social actors within their business model, (b) *value integrators* allocate active roles to both social and commercial actors, thus fostering connectivity by engaging them in multiple components simultaneously, and (c) *value providers* take on a central role in creating value alongside other commercial actors, whereas social actors primarily serve as recipients of the provided value. By highlighting differences in the manifestations of hybridity in social enterprises, we can derive three theoretical implications.

Implications for the Literature

Hybrid Value Logics as Different Combinations of Institutional Logics

Our taxonomy of different types of hybrid value logics among social enterprises contributes to research that emphasizes that hybridity is not dichotomous but exists as a degree on a spectrum (Litrico & Besharov, 2018; Shepherd et al., 2019). While existing research has theoretically proposed that social enterprises, as an archetype of hybrid organizations, vary in their

degree of hybridity (Litrico & Besharov, 2018; Saebi et al., 2019; Shepherd et al., 2019), the specific manifestations of hybridity within social enterprises remain underexplored. Our taxonomy of hybrid value logics builds on empirical data to examine how social enterprises differ in integrating external actors—such as customers and beneficiaries—who are embedded in different institutional contexts into their business model (Laasch, 2018a; Ocasio & Radoynovska, 2016). Thereby, we propose a way to conceptualize the degree of hybridity based on the intensity and relativity of this integration. In this way, our taxonomy lays the groundwork for understanding and potentially operationalizing the degree of hybridity in social enterprises.

Our research also points to the dominance of certain hybrid value logics over others. Especially, the stronger the integration of commercial actors (i.e., the stronger the commercial logic intensity) and the weaker the integration of social actors (i.e., the weaker the social welfare logic intensity), the more social enterprises we observe in our sample. More precisely, we observed 32% of VP1, 34% VI2 and VI4, versus 8% in cluster VI3. Several factors may explain these findings, with potential theoretical implications. While hybridity typically involves unconventional combinations of institutional logics (Battilana et al., 2017), some forms of hybridity may have become more conventional or normalized over time (Glynn et al., 2020). More prevalent hybrid models may be easier to implement, making them more familiar, acceptable, and legitimate among entrepreneurs and stakeholders. Additionally, their financial sustainability may contribute to their dominance, as they closely align with pure commercial logics. Thus, simpler hybrid forms could be evolving into a new norm. In contrast, *VI3*, which exhibits high hybridity in both intensity and relativity, is less represented in our sample. The lower representation could stem from the challenge of balancing multiple roles across diverse actors, leading to legitimacy issues when competing demands intersect. The added complexity of value integration may make these forms harder to sustain or less attractive to entrepreneurs. Thus, our findings support the proposition that some hybrid value logics achieve greater legitimacy than others (Battilana et al., 2017; Glynn et al., 2020).

Logic Perspective in Co-Creation and Collaboration of Social Enterprises

By introducing a logic perspective into the co-creation and collaboration literature (De Silva et al., 2020; Di Domenico et al., 2020; Rey-García et al., 2019), our study sheds light on how social enterprises create networks of diverse actors, forming unique hybrid value logics. Our taxonomy offers a

nuanced understanding of how different hybrid value logics both enable and require specific types of collaborations implying diverging combinations of institutional logics. While the institutional logics adhered to by founders are typically stable (Wry & York, 2017), the choice of collaborators and the institutional logics they bring is largely up to the social enterprise, allowing for greater flexibility (Di Domenico et al., 2020; Ostertag et al., 2021; Savarese et al., 2021). In this way, our taxonomy of different configurations highlights that social enterprises are complex assemblages of diverse actors, which in turn reflect a mosaic of differing institutional logics.

More recently, Savarese et al. (2021) have explained how institutional logics influence collaborations between social enterprises and corporate or dominant-logic organizations. While their research highlights differences in how social enterprises and corporates collaborate (Di Domenico et al., 2020) and the impact of institutional logics on these collaborations, our taxonomy builds on this understanding by demonstrating how social enterprises differ not only in their collaborations with commercial actors but also in how they form a web of diverse actors. This network creates an idiosyncratic hybrid value logic, combining elements of both commercial and social institutional logics. By identifying different types and patterns of hybrid value logics, our taxonomy illustrates the various ways social entrepreneurs can integrate actors from different institutional backgrounds into their business models, also extending the understanding of the use of networks to create value (e.g., Eng et al., 2020).

Our study offers valuable insights into the co-creation and collaboration literature by providing a more nuanced understanding of how social enterprises operate under different hybrid value logics. For instance, *value co-creators* emphasize empowering social actors in co-creating and consuming value, highlighting the potential of social enterprises to foster inclusive and participatory approaches. In contrast, *value integrators* balance social and commercial actors, fostering mutual dependence and facilitating collaborative networks. This approach aligns with the concept of "collective social entrepreneurship," where value is generated through external actor networks rather than solely by the entrepreneur or enterprise (Montgomery et al., 2012; Rey-García et al., 2019). In contrast, *value providers* prioritize the role of commercial actors, positioning social actors primarily as recipients. This logic, relying on strong commercial involvement to drive social impact, illustrates a market-driven approach to value creation. Through these insights, our taxonomy deepens the understanding of how different hybrid value logics shape the collaboration strategies and co-creation dynamics within social enterprises.

New Theoretical Grounds to Advance Our Understanding of Opportunities and Challenges of Hybridity

The creation of an empirically-based taxonomy of hybrid value logics provides a systematic framework for analyzing the differences among social enterprises, particularly how they balance social and economic goals. The differences in hybrid value logics as depicted in our taxonomy offer grounds to theorize how different social enterprises approach opportunities and challenges, such as social value creation and managing inherent tensions. Concerning the opportunities, post hoc analyses from our research show that certain hybrid value logics are more closely associated with specific social issues. For instance, 69% of the enterprises identified as *value integrators* focused on addressing infrastructure challenges, such as providing access to electricity, financial services, or telecommunications. In contrast, none of the *value co-creators* focused on these areas. This reflects earlier findings, such as those by Mair et al. (2012), which identify patterns in the social and environmental issues that social enterprises tackle. Our taxonomy thus lays the groundwork for future research by proposing a theoretical foundation to explore which hybrid value logics are more likely to address specific types of social challenges, contributing to a better understanding of the strategic orientation of social enterprises.

Concerning our understanding of challenges, our taxonomy provides a basis to theorize about the diverse tensions arising within social enterprises (Fu, 2024; W. K. Smith et al., 2013). Building on Glynn et al. (2020)'s understanding of internal-external tensions, we tentatively propose that the specific hybrid value logics of social enterprises influence the nature of these tensions and how they must be managed. For instance, social enterprises that follow the *value co-creators* logic are more strongly aligned with the social welfare logic of their involved actors. As a result, they may need to counter-balance this with a strong commitment to a commercial logic to ensure financial sustainability, leading to potential internal-external tensions. In contrast, *value integrators*, which integrate actors from both social welfare and commercial domains, are more likely to encounter external-external tensions, such as misalignments in beliefs, values, and practices among different stakeholders. This situation can complicate decision-making and coordination. However, as Battilana et al. (2015) suggest, social enterprises may turn these tensions into "productive tensions" (p. 1660) by leveraging their continuous interaction with diverse actors. *Value integrators*, in particular, might be better positioned to navigate these challenges due to their ability to foster interdependence and collaboration among stakeholders. Nevertheless, further research is required to explore how effectively

these enterprises can manage stakeholder misalignments and whether their hybrid value logics help them mitigate the associated risks.

Implications for Practice

This study offers several practical implications for stakeholders interested in fostering business model innovation within social enterprises. Nascent social entrepreneurs, for instance, can use the proposed taxonomy to approach business model design in a more structured way. Previous research, such as Tykkyläinen and Ritala (2021), highlights the complexity that arises from the variety of options for integrating social and commercial value logics into a social enterprise's business model. Our taxonomy provides a means for founders to assess these options systematically and make informed decisions about how to incorporate hybrid value logics into their business models. For established social enterprises, the taxonomy can assist in visualizing the different hybrid value logics and understanding the relationships between various stakeholders. This structured approach can help identify the dynamics at play, enabling organizations to proactively address tensions that may arise from interactions among stakeholders with differing priorities (Battilana & Lee, 2014). Finally, while enhancing policymakers' understanding of hybrid value logics is important, it is not necessarily a critical factor for the success of social enterprises. We acknowledge that, while it is beneficial for policymakers to be aware of the heterogeneity in hybrid value logics, it is just one factor influencing the success of social enterprises. By recognizing the diversity of value logics, policymakers can support social enterprises more effectively by implementing tailored support mechanisms. This includes funding initiatives and regulatory frameworks that accommodate the varying governance and reporting needs of different types of social enterprises.

Limitations and Future Research

The results of our study entail certain limitations that prompt questions for future research. First, our empirical analysis primarily draws upon content sourced from social enterprises via public channels, including websites, social media platforms, and press releases. However, as noted by Payne et al. (2017), such communication often serves strategic purposes and may not fully reflect the internal dynamics of the organization. Consequently, the hybrid value logics depicted in these materials may diverge from those practiced by organizational members, as highlighted by Fu (2024). Future research endeavors could adopt a more nuanced approach by directly gathering data from internal stakeholders, such as through interviews with founders,

employees, and other relevant parties. This methodological shift would facilitate a deeper exploration of how hybrid value logics are perceived and negotiated within social enterprises, offering insights beyond the strategic narratives crafted for external audiences. Research questions aimed at gathering insights in this regard could explore the alignment or disparity between hybrid value logics communicated in social enterprises' public-facing materials and those perceived and enacted by internal stakeholders, including founders and employees. Second, our taxonomy is static, which is a characteristic of the chosen methodological approach (Bailey, 1994). However, Laasch (2018b) has argued that value logics are subject to change and can evolve from one type into another over time. Hence, we advocate for future research to adopt a process-oriented approach to uncover patterns in the evolving dynamics of (hybridity in) value logics. Engaging research questions should explore the circumstances that precipitate adjustments in value logics and elucidate the costs and subsequent changes entailed in business models, internal organizational structures, and collaboration with external stakeholders following such adaptations. Third, our sample depends on the selection processes of well-established, competing international organizations, which is likely to favor the most developed and successful social enterprises. Nonetheless, an unfavorable or incompatible blend of value logics could be a contributing factor to venture failure. This underscores the potential value of comparing successful and unsuccessful social enterprises to uncover insights into why particular combinations of value logics bolster the success of certain ventures while others do not. Fourth, to keep the taxonomy both manageable and comprehensible, we focused our analysis on the combination of two institutional logics and assumed that the actors integrated into the business model were dominated by one of these institutional logics. However, organizations, including social enterprises, may be influenced by more than one institutional logic (Gümüsay, 2020). Future research could therefore take into account this multiplicity on different levels (e.g., more diverse institutional logics, more than one institutional imprint per actor).

Appendix A. Definitions of Actors Involved in the Value Proposition of Social Enterprises.

Sub-dimensions	Definition	Example codes	Examples quotes
Actors involved in the business model			
Social actors			
Disadvantaged	People being exposed to disadvantages (e.g., due to disability, poverty, ethnicity)	Disadvantage, discriminate, racism, sexism, political persecution, women, gay, elderly, aging, elderly, low literacy, students	"Suyo's primary customers are low-income families residing in informal settlements in Latin America." (Suyo)
Environment	A problem that threatens the natural environment thereby affects human life.	Emissions, agroforestry, waste reduction, pollution, deforestation, destruction of habitats, oil spills, soil erosion, destruction of biodiversity	"Today, much of the pesticides and fertilizers applied are not taken up by crops and are washed away, accumulating in our waterways and environment." (Terramera)
Organization/ community	Social sector organizations and communities such as schools, universities, other education institutions, cities or clubs.	Schools, universities, colleges, education institution, teachers, students, educators, hospitals	"Boond aims to provide uninterrupted energy access to rural healthcare centers and improve upon the quality of healthcare facilities." (Boond)
Commercial actors			
Customer	Customers paying for products or services. These customers are not directly harmed by the social/ environmental issue tackled by the social enterprise.	Retail market, users, consumers, you, B2C	"At BioLite, we engage in [. . .] distinct customer segments: [. . .] outdoor recreation users seeking fuel-independent cooking and charging." (BioLite)
Company	Companies paying for products or services. These companies are not directly harmed by the social/ environmental issue tackled by the social enterprise	Companies, firms, businesses, ventures, enterprises, corporations, B2B	"Fourth Partner works extensively with commercial and industrial clients to help them meet their sustainability goals and provide them with energy security. Some of our partners such as Ferrero, Neihoff, Schneider Electric, Axis Bank, Honeywell etc. have been enjoying savings in energy expenses of over 20%." (Fourth Partner Energy)

Appendix B. Coding Scheme Developed in Phase 1 and Used for Consistent Coding in Phase 2.

Sub-dimensions	Definition	Example codes	Examples quotes
Who receives value?			
Social actors receiving support for . . .			
Physiological needs	To improve human survival, such as clean air, warmth, water, shelter, housing, food	Shelter, drinking water, survival, water, life-saving, sanitation	"We franchise sanitation units to create a Fresh Life network across Nairobi's urban slums, offering an affordable and effective alternative to sewers." (Sanergy)
Health needs	Access to health insurance, medical products, or services.	Health, health products, medicine, patient, healthcare, immunization, disease, medical care, medical treatment	"Nearly 70% of Indian homes cook with primitive mud stoves [. . .], exposing families to harmful smoke and diseases [. . .]. Greenway's cooking stove offers a solution." (Greenway)
Access to infrastructure	Access to basic infrastructure such as electricity, financial service infrastructure, basic telecommunication.	Infrastructure, grid, off-grid, electricity, telecommunication, unbanked, connect, connection, financial services, energy, access to services, technology dissemination, availability of services	"BuffaloGrid is connecting the next billion. Providing power to those that need it most and laying the foundations to expand the internet globally." (BuffaloGrid)
Education	Learning, including access to basic education, elementary school education, or adult learning.	Education, school, learner, educator, basic education, student, educational, learning	"Kodable breaks down computer science into the basic concepts kids need for a strong foundation life." (Kodable)
Employment	Access to vocational, employment-related education or training, facilitating access to employment, improving job security, and income stability.	Employment, income, profession, professional training, work, creating jobs, job opportunities, inclusion	"We provide entrepreneurs with a micro-franchise "business-in-a-box" that enables them to offer financial services, serve their communities, employ staff, and earn an income." (Zoona)
Social inclusion	Sense of belongingness, respect from others, self-esteem, and self-fulfillment, for marginalized, socially excluded people or, people with disadvantages or disabilities	Status, confidence, connection, appreciated, realizing one's dreams/ideas, love, respect	"We work actively and clearly to ensure that people with dementia receive the same status, and thus the same rights, as any other ill or injured person." (Noen)
Functional support	Needs concerning risk, cost, or time	Making life/processes easier, more efficient, saving time, being cheaper, less risky, increasing productivity/income	"[. . .] livelihoods organizations and farmers [. . .] to deploy and test pilot systems that have led to increased income, rental transactions, and first-ever summer season harvests." (Khethworks)
Environmental problems	Needs concerning the natural environment with immediate consequences for humans at a local or global level	Emission, corresponding impact, waste disposal, climate change, biodiversity, renewable energy, greenhouse gases, global warming, species extinctions	"Our purpose is to pursue [. . .] the elimination of the environmental impact of personal transport. Everything we do – the design of the car, the structure of the business, the people we work with—is in pursuit of this goal." (Riversimple)

(continued)

Appendix B. (continued)

Sub-dimensions	Definition	Example codes	Examples quotes
Commercial actors receiving			
Functional support	Needs concerning risk, cost, time, or complexity.	Cost, cost reduction, saving, economic benefit, reduce effort, avoid hassles, simplify, gain information, connect, networking, improvement, cost effective	"We offer on-time, customizable courier solutions for clients in Mumbai, India shipping to local, domestic and international destinations." (Mirakle Couriers)
Emotional support	Needs concerning issues concerning attractiveness of products/services, design/aesthetics, nostalgia, wellness, fun/entertainment, and self-transcendence.	Design, appeal, feelgood, look, wellness, fun, entertainment, fashionable, desirable, style, attractiveness, experience	"Our hand-made garments feature premium quality natural and ecological fibers, hand dyed and woven to celebrate ancient traditions." (Voz)
Who pays for value?			
Social actors paying	Social actors pay for the service or product they are provided with.	Subscription, product sale, lending, pay-per-use	"[. . .] they would pay about 20 U.S. cents per week for lighting. This is compared to about $2 a week that they would spend on kerosene before" (Nuru Energy Group)
Commercial actors paying	Commercial actors pay for the service or product they are provided with.	Subscription, product sale, lending, renting, leasing	"We supply bulk moringa oil and bulk moringa tea and powder to brands around the world." (Moringa Connect)
Who creates value?			
Social actors contributing	Social actors are significantly involved in the creation and/or delivery of the value. Their capabilities or local knowledge are needed to be able to create and deliver the value.	Together, co-creation, engagement, local workforce, integration, employ, employee, empower, enable, themselves, involvement, involve, work with	"In mixed teams of employees with and without disabilities, inclusion is implemented in the VerbaVoice team as well as in the deployment and training of blind-type interpreters and deaf sign language interpreters." (VerbaVoice)
Commercial actors contributing	Main capabilities to propose value are sourced from the social enterprise as a producer/service provider, and/or a cooperating commercial provider, and/or distributed with the help of a commercial actor.	Provision, provide, allow, offer, offering, bringing, supporting, equip	"By innovating at the intersection of clean tech and internet of things (IoT), Ecozen Solutions is disrupting the way perishables are handled across the value chain." (Ecozen Solutions)

Appendix C. Means of Descriptive Variables of the Seven Sub-Types of Hybrid Value Logics.

Descriptive variables	VC1	VC2	VI1	VI2	VI3	VI4	VP1	F test	*p*-Value
Type of social actors									
Disadvantaged	0.85	0.91	0.75	0.88	0.88	0.94	0.44	7.91	.000***
Environment	0.08	0.06	0.25	0.50	0.06	0.10	0.51	5.90	.016*
Organizations/communities	0.54	0.51	0.12	0.25	0.50	0.57	0.24	5.73	.018*
Type of commercial actors									
Customers	0.00	0.00	0.62	0.50	0.38	0.41	0.35	1.13	.288
Companies	0.00	0.00	0.75	0.62	0.94	0.78	0.82	9.03	.003**
Number of actors									
Total	1.77	1.60	2.62	2.75	2.94	2.84	2.43	18.73	.000***
Social actors	1.77	1.60	1.25	1.64	1.62	1.65	1.25	6.94	.009**
Commercial actors	0.00	0.00	1.38	1.12	1.31	1.18	1.18	10.27	.002**
Social actors' needs									
Physiological	0.08	0.09	0.00	0.04	0.06	0.12	0.03	0.97	.326
Health	0.31	0.29	0.12	0.17	0.12	0.20	0.19	0.18	.670
Infrastructure	0.46	0.26	0.00	0.12	0.69	0.43	0.18	23.06	.000***
Education	0.38	0.26	0.00	0.17	0.19	0.31	0.10	3.44	.065
Employment	0.23	0.03	0.50	0.50	0.44	0.08	0.12	3.39	.067
Recognition	0.08	0.11	0.25	0.12	0.00	0.04	0.09	4.07	.045*
Functional	0.38	0.37	0.12	0.25	0.25	0.35	0.06	2.47	.117
Environment	0.15	0.14	0.38	0.54	0.12	0.29	0.54	2.76	.098
Commercial actors' needs									
Functional	0.00	0.00	0.75	0.83	0.94	0.94	0.93	13.73	.000***
Emotional	0.00	0.00	0.62	0.25	0.19	0.24	0.26	0.18	.670
n	13	35	8	24	16	49	68		

*Significant at 5%. **Significant at 1%. ***Significant at .1 %.

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Eva Alexandra Jakob: conceptualization, methodology, software, formal analysis, investigation, data curation, writing—original draft preparation, visualization; Janina Sundermeier: conceptualization, validation, investigation, writing—reviewing and editing.

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During the preparation of this work, the authors used ChatGPT in order to improve the language of the article and derive ideas for analogies to illustrate and name the types within the taxonomy. After using this tool/service, the authors reviewed and edited the content as needed and took full responsibility for the content of the publication.

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