

Understanding the Diverse Scaling Strategies of Social Enterprises as Hybrid Organizations: The Case of Renewable Energy Cooperatives

Organization & Environment
2020, Vol. 33(2) 195–219
© The Author(s) 2019



Article reuse guidelines:
sagepub.com/journals-permissions
DOI: 10.1177/1086026619837126
journals.sagepub.com/home/oe



Thomas Bauwens¹ , Benjamin Huybrechts^{2,3},
and Frédéric Dufays⁴

Abstract

This article seeks to shed light on the diversity of scaling strategies of social enterprises, which can be considered as emblematic hybrid organizations. By comparing three Flemish renewable energy cooperatives with contrasted scaling strategies, the article shows how these strategies can be understood in relation to the organizational mission as imprinted at the founding. We extend the notion of hybridity beyond the combination of institutional logics to highlight the interest orientation (mutual vs. general interest). Unlike what is suggested in extant literature, we find that mutual interest orientation may be associated with “scale-up,” business growth strategies, while general interest orientation may lead to less growth-focused “scale-out” and “scale-deep” strategies. The findings illuminate aspects of the hybrid nature of social enterprises by explaining their diverse scaling strategies and extend the notion of imprinting to the interorganizational level by highlighting how social enterprises may collaborate to collectively achieve the pursuit of their multiple missions.

Keywords

social enterprise, hybridity, scaling, organizational growth, imprinting, renewable energy, cooperatives

Introduction

Social enterprises can be seen as emblematic types of “hybrid organizations,” that is, organizations that combine different goals and logics (economic, social, environmental, etc.) at the core of their activities (Battilana & Lee, 2014; Doherty, Haugh, & Lyon, 2014; Haigh & Hoffman, 2014). For example, environmental social enterprises simultaneously pursue financial sustainability, community development, and environmental action and borrow constitutive elements

¹Utrecht University, Utrecht, Netherlands

²Emlyon Business School, Ecully, France

³HEC Liège, University of Liège, Liège, Belgium

⁴KU Leuven, Leuven, Belgium

Corresponding Author:

Thomas Bauwens, Utrecht University, Princetonlaan 8a, Utrecht, 3584 CB, Netherlands.

Email: t.j.f.bauwens@uu.nl

from the business, community, and environmental sectors (Huybrechts & Haugh, 2018; Vickers & Lyon, 2014).

So far, the literature on social enterprises as hybrid organizations has largely focused on how these organizations internally deal with the challenges of balancing competing logics and overcoming the potential tensions between them (Battilana & Dorado, 2010; Battilana, Sengul, Pache, & Model, 2015). There is, however, a dearth of research that considers the interactions between hybridity and scaling (Ometto, Gegenhuber, Winter, & Greenwood, 2019). Scaling strategies of social enterprises as hybrid organizations have mainly been examined through descriptions and typologies (Battilana & Lee, 2014; Kannothra, Manning, & Haigh, 2018; Lyon & Fernandez, 2012; Vickers & Lyon, 2014). While these typologies are useful, little work has examined the rationale behind the different scaling strategies. In this article, we emphasize the role of the organizational mission, as defined at the founding of the organization and as negotiated with other organizations in the field, in imprinting the scaling strategy. Documenting such role is important to capture how early-stage strategic choices by social entrepreneurs may influence the future evolution of their organization.

To explore this question, we examine the diverging scaling strategies of renewable energy cooperatives, which can be seen as emblematic hybrid social enterprises that combine economic, social, and environmental goals (Huybrechts & Haugh, 2018; Huybrechts & Mertens, 2014). We examine three cases of Flemish renewable energy cooperatives that have very contrasted scaling strategies. We find that the different scaling strategies can be understood through the choices made at the founding stage, in particular, how the organizational mission is positioned on the continuum between mutual interest, that is, serving the interests of the members, and general interest, that is, serving the broader interest of society or specific disadvantaged target groups. Moreover, through examining three organizations active in a common field, we find mutual influences, as the scaling choices of each organization are also influenced by the positioning of the other organizations in the field.

These findings contribute, first, to extending the knowledge on the drivers of social enterprise scaling strategies by emphasizing the importance of the organizational mission. Such mission is positioned in an enriched organizational hybridity framework including a key dimension that has not received much attention so far, that is, the distinction between mutual and general interest. Second, our findings extend the notion of imprinting to the case of hybrid organizations and to the interorganizational level, while such literature has tended to focus on single organizations taken in an isolated way and mainly in a for-profit business context.

The remainder of this article is organized as follows. The next section sets out the theoretical background relying on the literatures on hybrid organizations and imprinting. Then, the research context of renewable energy cooperatives in Flanders and the methods are exposed. The empirical findings are then presented in the fourth section. The final part of the article discusses how these findings contribute to and open new avenues for research at the intersection of social enterprises as hybrid organizations, imprinting, and scaling.

Theoretical Background

Social Enterprises as Hybrid Organizations

Although “hybridity” has previously been used with different meanings, recent work in organization studies (Battilana & Lee, 2014) and entrepreneurship (Dufays & Huybrechts, 2016) uses this term to designate organizations that borrow elements or “logics” from different established organizational categories and combine them into a novel, blended organizational form (Battilana & Dorado, 2010). Social enterprises, that is, organizations using market mechanisms to achieve social aims and using their profits as a means to this end (Defourny & Nyssens, 2006; Haugh,

2007), are typical examples of hybrid organizations that combine multiple goals, typically social and commercial ones, thereby offering blended value (Battilana & Lee, 2014; Besharov & Smith, 2014; Doherty et al., 2014; Haigh & Hoffman, 2014).

While the duality of social and commercial logics is central in defining social enterprises as an emblematic type of hybrid organization (Doherty et al., 2014), research has recently sought to extend the understanding of organizational hybridity beyond this duality (Meyer & Höllerer, 2016). Kannothra et al. (2018) distinguish between client and community orientations embedded in different growth strategies. Siegner, Pinkse, and Panwar (2018) suggest that tensions in social enterprises may arise not only between social and commercial missions but also in the operationalization of the social mission—for example, which beneficiaries are aimed at within the whole population suffering from a given need. Dufays (2019) also identifies tensions in social entrepreneurial teams regarding how to prioritize and articulate different types of social missions. Finally, when examining barriers to social enterprise growth, Davies, Haigh, and Chambers (2018) suggest that, beyond the integration of social and commercial logics, a broader scope of ethical values should be taken into account to capture the orientation of the social enterprise, notably toward growth.

In this article, we suggest that the understanding of organizational hybridity can also be enriched through the continuum between “mutual interest” and “general interest,” which is well documented in the economic literature on nonprofit organizations (Ben-Ner & Gui, 2000; Gui, 1991), but has been used only to a limited extent to understand social enterprises. In the literature, the “general interest” orientation of social enterprises is emphasized, that is, the provision of benefits to social groups that are distinct from the members of the organization. These groups are, for example, borrowers in the case of microfinance (Battilana & Dorado, 2010; Hudon & Sandberg, 2013), small-scale producers in the case of fair trade (Huybrechts, 2012), or disabled people employed in social enterprises (Gidron, 2014). General interest may also apply to society as a whole, as is the case of environmental social enterprises in recycling (Tremblay, Gutberlet, & Peredo, 2010) or renewable energy (Huybrechts & Haigh, 2018).

By contrast, a “mutual interest” orientation means providing benefits to the members of the organization (Ben-Ner & Gui, 2000; Gui, 1991), that is, people who own the organization or participate in its strategic decision making, typically through the general assembly (Spear, Cornforth, & Aiken, 2009). This may include, for example, community members in self-help groups (Haigh, 2007), small-scale farmers seeking to improve their market position and living conditions through a producer cooperative (Renard, 2010), or workers looking for better working conditions through a workers’ cooperative or a “recuperated enterprise” (Jaumier, 2017). In many cases, social enterprises combine a mutual and a general interest orientation. For example, work integration social enterprises may employ a diversity of workers, some of whom may be or become members, and others do not (Campi, Defourny, & Grégoire, 2006). The way in which members are designated varies with the legal form: “shareholders” in social enterprises incorporated as for-profit businesses, “cooperators” or “cooperative members” in cooperatives, and simply “members” in nonprofit organizations (Spear et al., 2009).

While this approach in terms of interest orientation is particularly relevant in member-based hybrid organizations (Mitzinneck & Besharov, 2019), we suggest that it is useful for hybrid organizations in general. Indeed, it differs from and adds to the distinction between integrated and differentiated hybrid organizational models of social enterprises (Santos, Pache, & Birkholz, 2015), which rather relates to the operational dimension of the social enterprise (financial model and/or organization of production) instead of its governance—that is, the way in which the organization is directed, controlled, and held accountable (Mair, Mayer, & Lutz, 2015). Integrated hybrids are those in which commercial and social goals are advanced through a common set of activities, which implies either that the beneficiaries are also the customers and pay for the services they benefit from (Battilana, Lee, Walker, & Dorsey, 2012) or that commercial and social

interventions are performed by the same staff members (Santos et al., 2015). By contrast, differentiated hybrid organizations either imply that the beneficiaries are distinct from their customers (Battilana et al., 2012) or that different organizational members perform different sets of interventions, either commercial or social (Santos et al., 2015). The interest orientation completes this operational typology by focusing on the governance of the social enterprise, in particular, whether the beneficiaries of the organization are also its members (Gui, 1991).

Both mutual and general interest orientations may be considered as “social,” but they may also contribute to the commercial and possibly environmental logics of the social enterprise. We therefore suggest that the orientation toward mutual and/or general interest is orthogonal to, and helps refine, the endorsement of social, commercial, and/or environmental logics. For example, social objectives may consist of supporting members, or people with no formal relationship with the organization, or both. Likewise, commercial benefits may apply to both members and non-members, for example, in terms of offering services at or below production costs to customers who are not formally members of the organization. Finally, the environmental dimension, while most often considered as a collective contribution to general interest goals such as reducing global greenhouse gas emissions and fighting climate change, may also serve the interests of organizational members, for example, by helping reduce local air pollution in the members’ direct environment.

In practice, overlaps exist between these different goals. For example, by helping its members enhance the efficiency of their heating system, an organization may simultaneously pursue an environmental logic through more efficient energy use and a commercial logic if these efficiency improvements lead to a more competitive pricing strategy. Nevertheless, these differences are conceptually useful to understand the positioning of social enterprises as hybrid organizations beyond the way in which social and commercial logics are balanced (Besharov & Smith, 2014). In particular, we suggest that combining the mutual/general interest orientation with social enterprises’ multiple logics (e.g., commercial, social, and environmental) enriches the definition of the organizational mission and illuminates how such mission imprints the subsequent scaling. Indeed, while different scaling strategies have been identified (Davies et al., 2018; Kannothra et al., 2018; Lyon & Fernandez, 2012; Vickers & Lyon, 2014), the way in which the original mission imprints such strategies has remained relatively unexplored so far.

Imprinting and Scaling Strategies

The idea that the founding environment of an organization shapes it in an enduring way that persists well beyond the setup phase was introduced by Stinchcombe (1965) in his seminal essay “Social Structure and Organizations.” In particular, he showed that organizational characteristics are selected at the time of founding depending on the social technology and the available resources. These characteristics then tend to remain stable over time because of (a) their ongoing optimal efficiency in organizing for a given purpose, (b) institutionalizing forces, and (c) the absence of a competitive environment that would force the organization to evolve. This thesis has later been formalized as “imprinting” and extended (Marquis & Tilcsik, 2013) to various levels such as industries (Marquis & Huang, 2010), entrepreneurial processes (Tornikoski & Renko, 2014), or individuals (Tilcsik, 2014). Different sources of imprint beyond social structure have also been distinguished, in particular, economic and technological conditions (Marquis, 2003), institutional factors (Marquis & Huang, 2010), individuals (Johnson, 2007), characteristics of the pursued opportunity (Suddaby, Bruton, & Si, 2015), and founding team’s early decisions (Battilana et al., 2015; Eisenhardt & Schoonhoven, 1990). Understood in a broad sense, imprinting can be defined as “a process whereby, during a brief period of susceptibility, a focal entity develops characteristics that reflect prominent features of the environment, and these characteristics continue to persist despite significant environmental changes in subsequent periods”

(Marquis & Tilcsik, 2013, p. 199). In her study of organizational imprinting in the case of the Paris Opera, Johnson (2007) shows that this process has both an agent-driven nature and an embedded nature. Entrepreneurs stamp their new organization with distinctive signs of their founding time, which are also reproduced by the organization's main stakeholders through a collective process.

A few studies in this literature stream have shown that characteristics at the founding time of the organization shape its subsequent growth strategy (Simsek, Fox, & Heavey, 2015). Organizational growth is affected by individual entrepreneurs' characteristics such as the imprints of founders' past network, in particular, their bridging ties (McEvily, Jaffee, & Tortoriello, 2012) and past industry experience (Roberts, Klepper, & Hayward, 2011). In the case of entrepreneurial teams, their size and composition in terms of its members' shared experience and heterogeneity in industry experience were found to enduringly influence organizational growth (Eisenhardt & Schoonhoven, 1990). Their industry and start-up experience impact their long-term performance and survival (Delmar & Shane, 2006). Imprints of the industrial policy regime (Majumdar, 2004) and market maturity (Eisenhardt & Schoonhoven, 1990) at times of founding have also been shown to influence the organizational growth behavior of firms. Nonprofit organizations exhibit imprinting effects in the same way, as they are imprinted by their founding environment—for example, the establishment of their corporate environment and its cultural tradition of support for the nonprofit sector (Marquis, Davis, & Glynn, 2013).

Imprinting processes and effects in social enterprises as hybrid organizations remain under-researched. Several studies highlight individual characteristics of the social entrepreneur and the composition of the founding team to imprint the hybrid character in the emergent social enterprise (Dufays & Huybrechts, 2016). Decisions related to prosocial organizing at times of founding also reveal a sustained imprint on social enterprises (Muñoz, Cacciotti, & Cohen, 2018). In particular, the founding team's early emphasis on how to balance different logics influences the long-term social and economic performance in work integration social enterprises (Battilana et al., 2015). In addition, the prosocial organizing of capital structure at founding results in differences in leverage between social enterprises and matched commercial enterprises (Siqueira, Guenster, Vanacker, & Crucke, 2018).

In this article, the focus is on how the positioning of the organizational mission defined by the founders, as previously explained, shapes not only growth in the narrow business sense (e.g., Cliff, 1998) but also more broadly the scaling of the organizational model and practices. "Scaling," initially used in the North American but increasingly also in the European social entrepreneurship literature (André & Pache, 2016; Desa & Koch, 2014; Lyon & Fernandez, 2012), is purposefully favored here over "growth" to account for the diverse avenues that social enterprises may use to increase their social impact and fulfill a social need. This approach is consistent with critical perspectives on organizational growth, which follow Penrose's (1959) inclusive approach to growth and call for shifting the emphasis from quantitative business growth toward examining the different ways through which organizations increase their outreach (Achtenhagen, Naldi, & Melin, 2010; Clarke, Holt, & Blundel, 2014; Leitch, Hill, & Neergaard, 2010; McKelvie & Wiklund, 2010).

Extant literature presents a broad range of strategies for social enterprises to scale their impact (Uvin, Jain, & Brown, 2000). Typically, these strategies are differentiated along a spectrum ranging from breadth-scaling to depth-scaling (Desa & Koch, 2014) and including scaling "up," "across," "deep," and "out" (André & Pache, 2016; Lyon & Fernandez, 2012). Breadth-scaling includes "scale-up" modes that are more or less controlled by the social enterprise, such as business growth (Lyon & Fernandez, 2012) or franchising (Tracey & Jarvis, 2007), and "scale-across" modes where the focus is on replication, diffusion by other actors, and adoption rather than organizational control (André & Pache, 2016). Depth-scaling modes include "scaling deep," an approach that "focuses on improving and enriching current processes in order to enhance the impact on beneficiaries" (André & Pache, 2016, p. 665), and "scale-out," in which a broader

diversity of services is offered to the same target audience (André & Pache, 2016; Vickers & Lyon, 2014). Whereas breadth-scaling modes are typically presented as client-driven and increasingly global, depth-scaling modes appear more local and community oriented (Kannothra et al., 2018; Smith & Stevens, 2010). Social enterprises may also combine breadth- and depth-scaling approaches. For example, in their study of environmental social enterprises, Vickers and Lyon (2014) emphasize, besides organizational growth (“green-collar army” model) and scaling deep (“small and beautiful” model), an intermediate approach (“green knowledge economy”) that combines scaling up and scaling deep components.

Beyond the diversity of scaling strategies available for social enterprises as hybrid organizations (Lyon & Fernandez, 2012; Vickers & Lyon, 2014), extant work has documented the opportunities and obstacles throughout the growth process (Davies et al., 2018), the implications of the growth modes in terms of managing hybridity (Kannothra et al., 2018), and the conditions to avoid “mission drift” (André & Pache, 2016). However, surprisingly, the antecedents of the diverse scaling strategies have received less attention, in particular, the type of organizational mission pursued. Indeed, extant work has examined either organization-level structural elements such as client orientation (Kannothra et al., 2018), embeddedness (Smith & Stevens, 2010), and resource mobilization approach (Desa & Koch, 2014) or individual-level characteristics such as moral intensity and desire for control (Smith, Kistruck, & Cannatelli, 2016). Following André & Pache’s (2016) examination of how individual values of social entrepreneurs may imbue the organizational level and shape its future development, we suggest that scaling strategies may also be understood as being shaped by the organizational mission as defined by the founders. We thereby address calls in the extant literature to better understand how scaling strategies may be identified at the time of founding (Davies et al., 2018; Kannothra et al., 2018; Vickers & Lyon, 2014).

The organizational mission reflects the embedded agency nature of the imprinting process: It translates the initial aim of the founders, but at the same time, its formulation is situated in the founding environment because it intends to be aligned on stakeholders’ expectations. Existing studies suggest that social enterprises whose mission is oriented toward the general interest will rather adopt breadth-scaling strategies increasing their outreach to external audiences, whereas mutual interest-oriented social enterprises will tend to favor depth scaling focused on their membership. Because general interest aims to reach individuals beyond the organization’s members, such social enterprises are less embedded in a particular community and are thus more likely to seek to expand geographically (Smith & Stevens, 2010). This can be achieved, for example, through business growth, social franchising (Tracey & Jarvis, 2007), replication, or political activism (Schneiberg, 2013). By contrast, social enterprises pursuing mutual interest intend to act in the best interest of their members. Their embeddedness in a specific community is therefore likely to be higher, making them more inclined to adopt depth-scaling strategies (Smith & Stevens, 2010), such as horizontal diversification, in order to provide their members with a broader range of services (Desa & Koch, 2014). This is particularly the case for community-based enterprises, which focus on the local context of needs and collective action of the community members. However, to our best knowledge, no research so far has examined how the social enterprises’ organizational mission at the time of the founding, including their mutual and/or general interest orientation, imprints their subsequent scaling strategies. The next section describes how three cases have been purposefully contrasted to explore this relationship.

Method

Research Context

The renewable energy cooperative (also “REScoop”) model enables citizens, as cooperative members, to collectively own and manage renewable energy projects at the local level, often

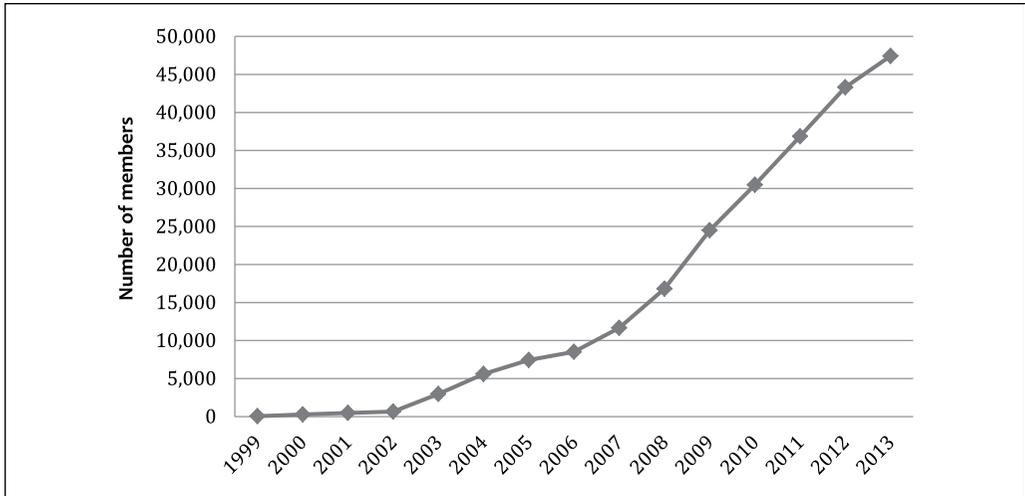


Figure 1. Evolution of Ecopower membership, 1999 to 2013.

producing social benefits (Bauwens, 2016; Huybrechts & Mertens, 2014). Combining economic, social, and environmental aims, renewable energy cooperatives are typical hybrid organizations that borrow logics and practices from businesses, environmental organizations, and community groups (Huybrechts & Haugh, 2018; Huybrechts & Mertens, 2014). Thanks to this unique position, renewable energy cooperatives and more generally community energy schemes are increasingly perceived as innovative business models in the transition toward low-carbon energy systems (Bauwens, 2016; Bauwens, Gotchev, & Holstenkamp, 2016). They conduct two main types of activities: the development and supply of renewable energy (hereafter RE) and the promotion of energy efficiency (hereafter EE) (Bauwens & Eyre, 2017).

This article draws on a qualitative research using comparative case studies that are contrasted to one another to allow for theoretical development (Eisenhardt, 1989). The three cooperatives studied here are derived from the first author's broader study of RE cooperatives in Europe. The region of Flanders (Northern part of Belgium) was chosen because it is a small and relatively homogeneous territory, featuring three well-established RE cooperatives created in the 1990s and 2000s—the others being much more recent and still under construction. The three cooperatives were chosen because, despite geographical and historical proximity (creation dates that are relatively close to each other), they displayed contrasted scaling strategies, corresponding to Vickers and Lyon's (2014) typology (see below). The Flemish cooperatives thus provided an ideal empirical site to compare the rationale behind contrasted scaling strategies and explore how such strategies could be related to the organizational mission at the founding stage.

The first cooperative, Ecopower, was created in 1991 by a former group of students with strong connections with the environmental movement. In 1999, Ecopower introduced an offer in a public tender for a wind energy project initiated by the city of Eeklo and won it. Following the installation of the first wind turbines in 2001 and the parallel recruitment campaign, the number of members increased from 47 in 1999 to 272 in 2000. Since then, it has followed a sustained increase (Figure 1). This was fostered by the start of electricity supply directly to its members, in 2003, which took place in the context of the electricity market liberalization. Since it was one of the first green energy suppliers in Flanders and the electricity price was relatively low compared with that of competitors, many people bought shares to be able to purchase electricity from Ecopower. Ecopower now counts more than 50,000 members. Beyond its own organizational

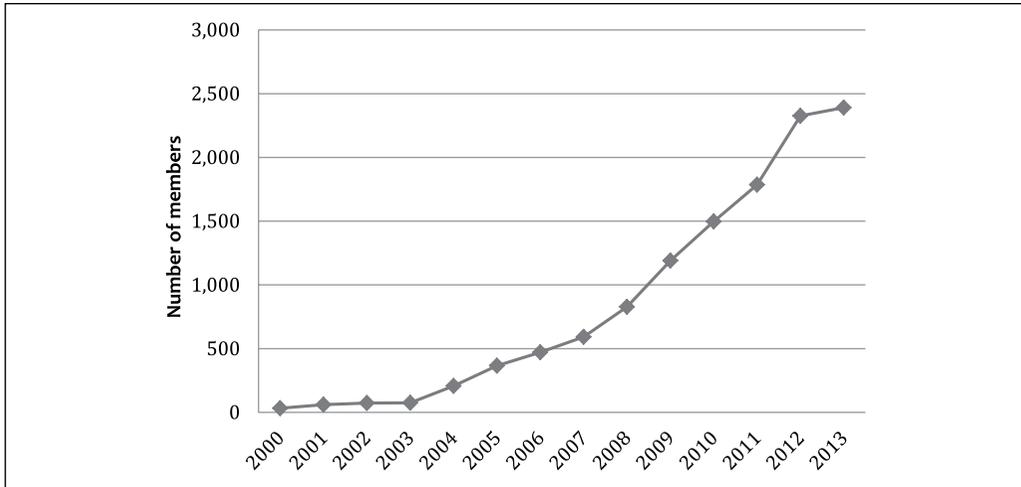


Figure 2. Evolution of BeauVent membership, 2000 to 2013.

development, Ecopower has been supporting the emergence of other cooperatives in Belgium and elsewhere, and it has often been showcased as a “success story” to replicate.

The second cooperative, BeauVent, was created in 2000 near the Belgian coast. The number of members evolved from a few dozens in the early 2000s to more than 2,000 in 2013 (Figure 2). In 2004, BeauVent received the building permit for the construction of two wind turbines, and members agreed to raise new capital among existing members and recruit new ones. BeauVent pursues two main missions: the first, most important one, is the promotion of EE and energy savings, and the second one is the development of RE installations. To carry out EE projects, in 2002 BeauVent founded a sister organization, BAS (formerly called ZonnwinDT), organized as a nonprofit with the objective of advising members and the broader community about sustainable construction. Beyond its own growth, BeauVent is particularly committed to sharing new RE and EE practices and technologies with like-minded cooperatives.

The third cooperative, Bronsgroen, was created in 2012 in Bilzen, a small town in the Eastern province of Limburg. Before that, the founders had set up a nonprofit organization in the early 2000s as an intermediary step toward the creation of the cooperative. Bronsgroen currently counts about 275 members. Bronsgroen has been very active in raising awareness around EE and access to energy, particularly in the context of poorer population groups.

At the end of 2013, Ecopower was the owner of 12 wind turbines, 322 solar installations, 3 small hydropower stations, and 1 biomass installation, for a total investment of 43 million euros. A wood pellet factory and six additional wind turbines were built in 2014. The investments made by BeauVent are more limited with respect to the capacity and diversity of installations as well as the financial amounts, and those made by Bronsgroen are even more limited.

These three cases purposively fit into the typology of scaling patterns proposed by Vickers and Lyon (2014). Ecopower corresponds to the “green-collar army” model, characterized by strong organizational growth, a high degree of professionalization, and the dissemination of exemplary success stories. Bronsgroen is closer to the “small and beautiful” type, with a deepening and diversification of the services offered to the beneficiaries and very limited organizational growth. Finally, BeauVent embodies the intermediate “green knowledge economy” approach, which combines moderate organizational growth, dissemination of innovations, and in-depth work with members.

Table 1. List of Interviews.

Number	Organization	Position
1	BeauVent	Board chair
2		Employee
3		Employee
4		Employee
5		Employee/board member
6		Manager/board member/cofounder
7		Former board member/cofounder
8		Member
9		Member
10		Member
11	Ecopower	Board chair
12		Employee
13		Employee
14		Manager/board member/cofounder
15		Board member
16		Employee
17		Member
18		Member
19		Member
20		Member
21		Member
22	Bronsgroen	Board chair
23		Board member
24		Member
25		Member
26		Member
27		Member
28		Member
29	ODE Vlaanderen	Expert of wind energy in Flanders
30		Expert of wind energy in Flanders

Data Collection and Analysis

Three sources fed the data collection between 2012 and 2015. First, to understand the context of organizational creation, the intentionality, and the outcomes of the different choices, 30 semi-structured interviews were conducted with cooperative managers and founders ($n = 15$), members ($n = 13$), and experts of wind energy in Flanders ($n = 2$; Table 1). Interviewees were selected starting with the founders and/or current managers and following a snowballing technique to include informants having relevant and complementary insights on the creation and development of the cooperative. The interviews lasted between 45 minutes and 2 hours and were recorded and transcribed verbatim. Interviewing continued until a level of saturation was reached whereby no significantly new information could be gathered on the explored themes.

Interview data describing past experiences are subject to lapses, post hoc rationalization, and reconstructions of memory. Therefore, in theorizing processes, it is important to complement interview data with archival data in order to get a more comprehensive understanding of the sequence of events. Thus, in a second step, we collected an extensive set of archived material about the creation and the founding mission of the organizations to triangulate the data and avoid possible biases, and to supplement personal accounts with rich and detailed contextual evidence. A total of 82 documents were reviewed, including founding documents, all the available annual reports of the three organizations, and a large number of internal documents such as minutes of

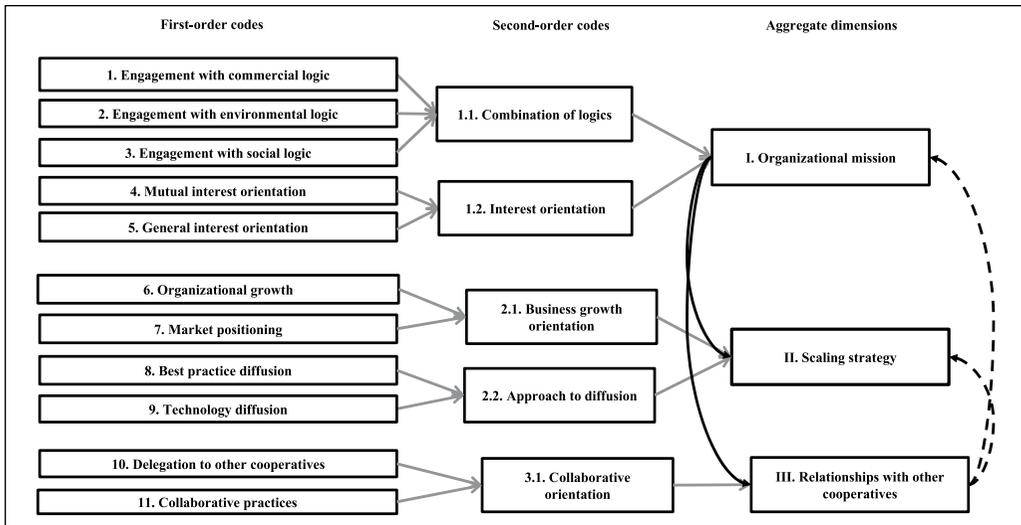


Figure 3. Data structure.

founding meetings, reports of board meetings and general assemblies, communications to members and other audiences, newspaper articles, and so on. This material helped understand the scaling strategy of each organization (e.g., growth in volumes, turnover, people; replication and scaling practices; etc.) and connect it with the types of missions pursued. Finally, we attended the general assembly of all three organizations in 2015 to gather data from direct observation and better contextualize the information in the interviews and documents.

The data were analyzed through different steps. A first analysis of the data consisted in reading the interview transcripts and documents for deep familiarization by all the authors. In this context, relevant quotes and document excerpts were translated from Dutch or French into English. Second, all transcripts and relevant documents were coded, highlighting excerpts related to scaling choices and strategies and underlying factors, notably those related to organizational mission at the time of founding. Following the method proposed by Gioia, Corley, and Hamilton (2013) for structuring qualitative material, first-order codes were identified within the primary material and then grouped into second-order codes. For example, for the organizational mission, we distinguished codes falling within logic combination from codes corresponding to a focus on mutual and/or general interest orientation. These codes were finally grouped into aggregate dimensions. This exercise was first done by two authors separately and then confronted to each other and fine-grained through the interactions with the third author.

Such interactions led to also highlighting first-order codes related to interorganizational relationships among cooperatives, which entered neither in the organizational mission nor in the scaling strategies, yet seemed to have important implications for both of them. This led to adding the aggregate dimension of “relationships with other cooperatives” besides the “organizational mission” and “scaling strategy” ones. In parallel with the coding, a cross-case analysis was conducted to highlight the major differences between the cooperatives in terms of the three dimensions highlighted above.

With the view of analyzing the key dimensions theoretically, regular iterations were done with relevant literature to develop a fine-grained understanding of the mission of the three organizations and their influence on their scaling strategies. In the final stage of analysis, we returned to our informants to present our findings and integrated their feedback into the analysis, which was particularly useful to map the relationships between the aggregate dimensions. This is reflected in Figure 3, in which, in addition to the data structure, the relationships between the three aggregate

dimensions are depicted on the right side of the figure. The bold arrows indicate the initial, early-stage direction of the relationships, where, as explained in the Findings section, the organizational mission as defined at the time of founding influences the scaling strategy and the relationships with the other cooperatives. The dotted lines correspond to the subsequent, reverse relationships through which the relationships established with the other cooperatives and the related field-level division of tasks among them shape these cooperatives' scaling strategies and missions. In Table 2, the codes of the data structure are illustrated and contrasted across the three cases with the help of emblematic quotes.

Findings

We articulate our findings around the three aggregate dimensions identified from the data analysis: the organizational mission at the founding stage, the scaling strategies as shaped by the founding context, and the role of interorganizational relationships.

Organizational Mission at the Founding Stage

The data analysis reveals that the cooperatives clearly differ in terms of the balance between mutual and general interest orientation at the time of their founding. When examining the two main activities conducted by the cooperatives—RE and EE—, our analysis suggests that they can be mainly associated with, respectively, mutual interest and general interest. Indeed, investments in EE provide lower returns to members as they are less profitable than those in RE under current conditions in Flanders, as acknowledged by many interviewees:

They are both important to go to a sustainable society. But the profits lie in renewable energy right now, not in energy efficiency. (Interview 12, Ecopower employee)

The main reasons for lesser profitability of EE include a longer payback period, the partial offset of EE gains due to behavioral responses known as “rebound effects” (Greening, Greene, & Difiglio, 2000), and the fact that investments in EE often require refurbishment work in buildings, which will not lead to EE gains themselves. EE is thus more beneficial for the planet and for society (general interest) than for the members of the cooperative (mutual interest). Investments in RE and, in particular, wind and solar power are on the contrary very profitable in Flanders and thus help serve the members' interests of getting a better return on their investment.

The founders of Ecopower were among the very pioneers of RE in Flanders and were led by both ecological concerns and the willingness to invest in an emerging market in order to generate revenues and fuel their future growth. This strategy was shaped by early and late-coming members' interests that guided the organizations' choices:

The main revenue of the company is related to renewable energy, not to energy efficiency. We believe we best help our members by investing in renewable energy projects. (Interview 18, Ecopower board member)

Our service to members is central. . . . Here people come . . . and they are helped also technically and with other things, we give them personal advice. (Interview 11, Ecopower board chair)

The objective of EE was not absent at time of the founding, but it was clearly less central than in the other cooperatives and had never been implemented through any service provision or investment until very recently.

We always said, it's good to invest in renewables, it's sexy and it attracts people, but it also makes sense to reduce energy consumption. (Interview 15, Ecopower board member)

Table 2. Summary of Findings and Illustrative Quotes.

Aggregate dimensions	First-order codes and illustrative quotes		
	Second-order codes	BeauVent	Bronsgroen
Organizational mission	<p>Combination of logics of Interest orientation</p> <p>Focus on market logics and mutual interest (member-only benefits) over general interest</p> <p>“Our service to members is central. . . . Here people come . . . and they are helped also technically and with other things, we give them personal advice.” (Interview 11, board chair)</p> <p>“The main revenue of the company is related to renewable energy, not to energy efficiency. We believe we best help our members by investing in renewable energy projects.” (Interview 18, board member)</p>	<p>Balancing mutual (some member benefits) and general interest, focus on environmental logic (energy efficiency)</p> <p>“What are our purposes? Sharing the benefits of energy, trying to foster the responsibilities from the local people for energy, ensuring that the environment is as less damaged as possible and trying not only to generate energy but also to save energy.” (Interview 1, board chair)</p> <p>“Direct benefits? I don’t think there are that many. To us the main benefit is that we feel that our money is serving a good aim. One that we believe in.” (Interview 7, member)</p>	<p>Focus on general over mutual interest (most benefits disconnected from membership), focus on social logic (energy poverty in social housing)</p> <p>“All the money you give to the members, it’s money that you cannot invest in social projects. And that’s why we say we want to give small dividends to owners, the members, just to thank them that they believe in us, 1 or 2%.” (Interview 22, board chair)</p> <p>“It’s a bit looking for the right balance between keeping the money of members into the cooperative, so that they don’t leave us and, on the other hand, giving as much as possible to social projects.” (Interview 23, board member)</p>

(continued)

Table 2. (continued)

Aggregate dimensions	First-order codes and illustrative quotes			
	Second-order codes	Ecopower	BeauVent	Bronsgroen
Scaling strategy	Business growth orientation Approach to diffusion	<p>High growth, strategic positioning in profitable fields (wind, electricity supply, etc.)</p> <p><i>Diffusing best practices</i></p> <p>“The most important [opportunity] was in 2003, when there was the liberalization of the energy market. So we registered in 2002 for that and we started from the liberalization in 2003 with supplying electricity. First, to about 1,000 cooperative members, which we already had at that moment, but very fast other coop members came to Ecopower and also in the years afterwards it was a very strong growth in coop members.” (Interview 14, manager)</p> <p>“This new structure gives us the possibility to grow more. In fact, you have three divisions: the delivery of electricity, the projects, and the pellet factory. These three can grow more without having problems.” (Interview 12, employee)</p>	<p>Medium growth, niche positioning regardless of profitability</p> <p><i>Diffusing RE and EE technologies</i></p> <p>“We have some responsibility also for people who have one share, and who say: for me, this share is valuable, don't lose it. Of course, we have also some members who say: I'd like to give more to BeauVent so that they grow. But we have to say: sorry, it's that way, you can maybe invest in another cooperative. In that way, we stay small, but we expand the vision of cooperatives.” (Interview 1, board chair)</p> <p>“So I think the opportunities for BeauVent is in new markets, getting there very fast, and then when it becomes mature, you have lots of people who are doing it and we let them do it. Then we have helped facilitate a market and it will grow by itself.” (Interview 5, employee and board member)</p>	<p>Low growth, focus on social value creation for poor households</p> <p><i>Diffusing local, social approach</i></p> <p>“It's important that a cooperative is close to the people. For example, for Ecopower it's not like criticizing them, but I think that the distance, they've reached the maximum level of distance between people and the cooperative, and I guess the idea to have a local, very local cooperative is also important.” (Interview 23, board member)</p> <p>“We look for volunteers in our cooperative who have some free time and we give them a training in energy reduction, how you can do that.” (Interview 22, board chair)</p>

(continued)

Table 2. (continued)

Aggregate dimensions	Second-order codes	First-order codes and illustrative quotes		
		Ecopower	BeauVent	Bronsgroen
Relationships with other cooperatives	Collaborative orientation	<p><i>Delegation of energy efficiency to smaller cooperatives</i></p> <p>“At Ecopower there has been a period when we got so much money and so few projects that it was interesting to give the loan to someone else who had projects but didn’t have the money.” (Interview 14, employee)</p> <p>“We consider it as an important task to help other small cooperatives across the country to grow. For us it’s more important that renewable energy cooperative are able to get started than to do everything ourselves.” (Interview 20, member)</p>	<p><i>Delegation of electricity supply to Ecopower</i></p> <p>“Ecopower, they decided already that they would do that. So we made an agreement with them, that all the people, all the members of BeauVent would be able to get energy from BeauVent, but via Ecopower.” (Interview 5, employee and board member)</p> <p>“The thing was, at that moment, we would be enemies for each other. And that was not OK, not even for me. It was not a good idea to be competitors. So for this reason, it was a good decision to say: just one of us goes for [electricity] delivery.” (Interview 6, manager)</p>	<p><i>Delegation of RE and electricity supply to Ecopower</i></p> <p>“The idea of being a cooperative is that you cooperate with others. If you strive for the same goal, then you’re never really competing. . . . If tomorrow we have the opportunity to develop our own windmill, we know we can count on Ecopower to support us with all the knowledge that they have, because they have done it like, how many times . . .” (Interview 27, member)</p> <p>“It’s not our ambition to become a supplier, so we need Ecopower to supply the energy that we produce to our members.” (Interview 22, board chair)</p>

By contrast, the starting idea of the founders of BeauVent was to improve the EE of their buildings. They then sought to produce the electricity consumed from RE sources. Getting together led them to the idea of cooperatively owned wind turbines and, eventually, to the creation of the cooperative in 2000. The cooperative model also met the founders' willingness to involve the local community in the wind project and to share the benefits with the latter rather than only to members:

Direct benefits? I don't think there are that many. To us the main benefit is that we feel that our money is serving a good aim. One that we believe in. (Interview 7, BeauVent member)

When the construction permissions for the first wind turbines came through, they received a proposal from an energy company to take over the project. However, they rejected it as their goal remained to produce and consume their own green power and contribute to educating people on environmental preservation:

What are our purposes? Sharing the benefits of energy, trying to foster the responsibilities from the local people for energy, ensuring that the environment is as less damaged as possible and trying not only to generate energy but also to save energy. (Interview 1, BeauVent board chair)

Bronsgroen was created in the context of a social housing estate. Social tenants were facing rising energy bills. They also had to bear the consequences of wind turbines installed in their neighborhood by external investors, without receiving any compensation. A small group of people from the neighborhood created a nonprofit organization, later transformed into a cooperative, to turn these frustrations into something positive. Its initial objective was to reduce the energy bills of the families in the estate and to set up their own RE production, therefore reducing the returns to members at the benefit of poorer households:

All the money you give to the members, it's money that you cannot invest in social projects. (Interview 22, Bronsgroen board chair)

This was later extended to people in, or at risk of, energy poverty in the whole province of Limburg. Hence, Bronsgroen was set up with a clear social focus, in contrast to Ecopower and BeauVent, whose founders were mainly motivated by environmental reasons.

To sum up, Ecopower featured a more pronounced initial orientation toward mutual interest as compared with BeauVent and even more Bronsgroen that displayed a strong general interest orientation, in particular, the social focus on low-income households.

Scaling Strategies

The scaling strategies were examined through a set of strategic choices regarding, for example, which RE technologies to focus on, what roles to take within the energy supply chain, and how to generate resources. We show how such choices form a consistent scaling pattern that is aligned on the initial positioning at organizational creation.

At Ecopower, the regional scaling perspective contrasts with the local character of the two other organizations. The founders quickly started actively looking for scaling opportunities in whole Flanders.

Ecopower was founded in 1991 to be active throughout Flanders. That was the purpose from the beginning. It makes it easier of course, you get more space to look for projects. (Interview 15, Ecopower board member)

Three major opportunities enabled Ecopower's scaling strategy: two related to RE technology choice (the pioneering role in wind projects from 1999 onward and the choice to build a pellet plant in 2013) and one related to seizing a new role in the supply chain through the start of the supply activity in 2003. The first opportunity offered Ecopower, at an early stage, the chance to build a large-scale wind project and, in turn, to attract many new members. Ecopower was among the first wind developers and strengthened its expertise in wind power development as well as the RE focus promoted by the founders. Moreover, it did not restrict itself to one geographical area when looking for project opportunities, thereby consolidating the broader geographical scope that was already present at its founding. These two elements—its pioneering position and its broad geographical scope—enabled it to compete with conventional developers in the “wind rush” on the available land, that is, a competition between wind developers for scarce locations, that happened in the late 2000s. Moreover, by building a new pellet plant, Ecopower aimed to integrate another profitable activity while giving members the opportunity to buy renewable heat in addition to electricity, again reflecting its main focus on mutual interest.

Regarding its role in the supply chain, in addition to its productive activities, Ecopower started the supply of electricity directly to its members when the market was liberalized. However, the process leading to this decision was not exempt from tensions within the board.

D. K. was one of the first board members also. But he always had a very big vision, and we were more down to Earth. And you need both of course. If you keep on dreaming, nothing happens, you need some people to put things in reality. And D. always said: “we should become a supplier”, but there was no free market. . . . The other board members were very reluctant to start the supply activity because it is an administrative burden and you have to talk to people all the time. This wasn't our thing. (Interview 15, Ecopower board member)

This tension was eventually resolved by submitting the proposition to become an electricity supplier to the members in the general assembly. Ecopower members then sent a clear signal in favor of starting the electricity supply, while the majority of the board was slightly reluctant to this idea and was willing to keep the focus on RE development.

When the market was liberalized, we brought this story at the general assembly. . . . So in principle, Ecopower could become a supplier, but this was not our focus, our focus is to invest in renewables, full stop. But then everybody in the room, like 200 people, said: “What is this? We should become a supplier! If we want our electricity at home, we invest in wind turbines and now we can have this electricity at home? That's how we want this!” So the members in the general assembly really expressed, very, very clearly that they wanted Ecopower to become a supplier. (Interview 15, Ecopower board member)

This demonstrates that starting the activities of electricity supply resulted from, and further reinforced, the organization's orientation toward mutual interest, on the one hand, because this decision directly reflected the will of the members and, on the other, because it established a direct commercial relationship between the organization and its members. The start of electricity supply substantially raised its cooperative capital by attracting many new members and enforced its visibility across Flanders. At the same time, by diverting a substantial amount of resources from other uses, it weakened other dimensions such as EE and energy savings.

Ecopower had to gather new human resources and build new capabilities to cope with membership growth, especially since it started supplying electricity. The number of full-time equivalents is today four times higher for Ecopower than for BeauVent. In addition, the development of Ecopower required specific skills, typically information and communications technology skills, to deal with the technologies needed by the development of activities.

A lot of tasks and activities were done on Excel sheets, they wrote the shares by hand. . . . But now you start growing and you have to professionalize as well and you have to get technical assistance, you have to hire qualified people. (Interview 12, Ecopower employee)

These elements show that the different strategic choices of Ecopower reinforced its original member-oriented (mutual interest) positioning. On the one hand, Ecopower guarantees a relatively high dividend to members by investing in profitable and mature RE technologies such as wind farms and solar installations, and, on the other hand, it provides a direct service to its members by supplying electricity and heat (biomass) at the production cost.

Regarding BeauVent, its first wind project, involving the construction of two wind turbines, was ended in 2005. BeauVent erected three additional wind turbines in 2007. Unlike Ecopower, BeauVent did not engage in the competition between developers for scarce locations, for two reasons. First, the “wind rush” was incompatible with its model of bottom-up emergence of energy projects that it was seeking to promote from its founding. Second, BeauVent lacked the human and financial resources required to compete. As a result, BeauVent does no longer operate on wind and solar energy markets, despite its pioneering role in promoting these technologies. Regarding its position in the energy value chain, BeauVent decided not to supply the electricity generated to its members, again in contrast with Ecopower. When the market was liberalized, BeauVent hesitated between two strategies, which revealed the existence of some tensions between the cofounders. They could remain local and close to their members, consistently with the cooperative ideal embraced at the time of the founding. Or they could become a supplier, which would mean growing at the expense of their local character.

At that moment, we were very busy with the cooperative idea. What will we do? Will we grow or will we stay small? And at that moment, we had different ideas. N. said: “no, we won’t become a multinational” . . . I had a different idea about this than N., but we decided then that we wouldn’t do it. (Interview 7, former BeauVent board member)

The former position, that is, favoring the local anchorage of BeauVent, was eventually chosen and reflected not only the strong preference toward local ownership and control shared by the founders of BeauVent but also the influence of the decisions of other organizations in the field as will be detailed below. This choice enabled BeauVent to develop other dimensions, notably the general interest orientation. BeauVent could use part of the profit coming from wind projects to advise people about energy savings and sustainable construction for free or at a price below the actual cost. However, BeauVent’s founders decided not to increase the capital from members and rather encourage wealthy members to invest in other projects:

We have . . . some members who say: I’d like to give more to BeauVent so that they grow. But we have to say: sorry, it’s that way, you can maybe invest in another cooperative. In that way, we stay small, but we expand the vision of cooperatives. (Interview 1, BeauVent board chair)

As a result, in BeauVent, membership does not provide important benefits, because BeauVent does not offer any direct service, such as electricity supply, to its members. Rather, BeauVent aims to improve EE and promote environmental behaviors among the population of the whole province, thus going much beyond its membership. Today, the new projects of BeauVent are still clearly oriented toward energy savings and EE, reinforcing its orientation toward the general interest. Moreover, BeauVent pursues scaling by focusing on new rather than mature technologies. It looks for small-scale innovative projects through which it can experiment with, and openly share, more efficient technologies and innovative practices. BeauVent seeks to play the role of innovating on the RE market, even if this is not the most profitable strategy:

It doesn't need to have a strong profitability of x% every year. We are satisfied with less and I guess this ensures we can do innovative projects. (Interview 3, BeauVent employee)

Finally, Bronsgroen puts an even stronger focus on EE than the two other organizations, since its investments in productive assets are minimal. The intention of the founders was not to become a supplier, but to have a close relationship with beneficiaries (poor households) on a very local basis, differentiating its action from larger cooperatives:

It's important that a cooperative is close to the people. For example, for Ecopower it's not like criticizing them, but I think that the distance, they've reached the maximum level of distance between people and the cooperative, and I guess the idea to have a local, very local cooperative is also important. (Interview 23, Bronsgroen board member)

Profitability did not seem to be an important criterion in the selection of its projects. Rather, Bronsgroen strategically positioned itself in social value creation and awareness raising. For instance, one of its main activities is to provide EE advice to households in energy poverty in order to help them reduce their energy consumption, based on the voluntary work of some of its members and in partnership with the social welfare departments of some small municipalities in Limburg. The target population of the cooperative, households in or at risk of energy poverty, is not required to purchase shares of the organization in order to benefit from its services and is thus clearly distinct from the members. The project does not make any profits, and the costs are covered by the partners. The organization also heavily depends on voluntary work, since it has not hired any paid worker so far:

We look for volunteers in our cooperative who have some free time and we give them a training in energy reduction. (Interview 22, Bronsgroen board chair)

Interorganizational Relationships Among Cooperatives

The findings show that scaling strategies are not only imprinted by the founding context of each organization individually. They also seem to be adjusted according to the behaviors of the other cooperatives in the sector and discussed collectively among them. Accordingly, Ecopower has developed relationships with other cooperatives with the idea of replicating the cooperative model and supporting the development of smaller cooperatives. In this perspective, it participates in various joint ventures with different cooperatives to invest in RE projects, in Flanders, Wallonia, and other countries:

We consider it as an important task to help other small cooperatives across the country to grow. For us, it's more important that renewable energy cooperative are able to get started than to do everything ourselves. (Interview 12, Ecopower employee)

Ecopower has also led advocacy and representation activities and has taken an active role in developing the Belgian and European federations of RE cooperatives, with a founder of Ecopower chairing the latter. More recently, Ecopower has started a project aiming at promoting EE across all Flanders. In this project, it relies on the skills of more local cooperatives, such as Bronsgroen and BeauVent, to implement the operational work on a local basis. By doing so, Ecopower seeks to compensate its relative weakness in EE, which is the core activity of these smaller organizations.

We didn't do enough . . . on rational energy use. But luckily BeauVent they were able to do more. (Interview 14, Ecopower manager/board member/cofounder)

Of course you can't do this centrally from Ecopower. If we want to assist people in Eeklo, we have to speak with them first. . . . If somebody from here has to go there all the time, it doesn't work . . . Just like Ecopower is also supplying electricity to the members of BeauVent, BeauVent provides this service to Ecopower members. (Interview 15, Ecopower board member)

BeauVent has developed a partnership with Ecopower, with the view of compensating its weaker market positioning. BeauVent did not engage in electricity supply itself, partly because BeauVent founders knew that Ecopower had already decided to start electricity supply and did not want to compete with Ecopower. Instead, BeauVent set up an agreement with Ecopower according to which BeauVent members could be supplied with electricity and heat by Ecopower.

Ecopower already decided that they would do that. So we made an agreement with them, that all the people, all the members of BeauVent would be able to get energy from BeauVent, but via Ecopower. (Interview 7, BeauVent former board member/cofounder)

The findings thus show that the decision of BeauVent not to become an electricity supplier was an outcome of two elements: on the one hand, it partly reflected the founders' preference toward the small-scale and local dimension of projects and, on the other hand, it was partly influenced by Ecopower's own decision to become an electricity supplier. This second aspect seems to have been decisive in resolving the tension between the cofounders of BeauVent regarding the decision to become an electricity supplier or not.

For me, it would have been a good objective to go for the same as Ecopower did. But the thing was, at that moment, we would be enemies for each other. And that was not OK, not even for me. It was not a good idea to be competitors. So for this reason, it was a good decision to say, just one of us goes for [electricity] delivery. (Interview 7, BeauVent former board member/cofounder)

BeauVent also developed some joint wind and solar projects with Ecopower, benefitting from its expertise in project development. Similar collaborations emerged between Bronsgroen and Ecopower: Bronsgroen offered its members to be provided with electricity and heat by Ecopower. Bronsgroen also relied on the expertise of wind power development by developing some partnerships for future joint investments:

The idea of being a cooperative is that you cooperate with others. If you strive for the same goal, then you're never really competing. . . . If tomorrow we have the opportunity to develop our own windmill, we know we can count on Ecopower to support us with all the knowledge that they have, because they have done it like, how many times? (Interview 23, Bronsgroen board member)

These collaborations were formalized through the constitution, in 2015, of a federation, REScoop Vlaanderen, which gathers Ecopower, BeauVent, Bronsgroen, and various other Flemish RE cooperatives. The goal of this organization is to promote the RE cooperative model in Flanders through awareness raising and information dissemination, and the facilitation of collaboration between cooperatives through regular meetings and the pooling of financial, technical, and managerial capacities.

Overall, these findings suggest that each cooperative built relationships with others to compensate for the dimensions that were relatively less present in each of them: Ecopower compensated for its weaker general interest orientation by relying on the expertise in EE of BeauVent and Bronsgroen, while the latter counterbalanced their relative lack of mutual interest by collaborating with Ecopower for electricity supply and RE development. Hence, as each organization adjusted its activities to others', initial choices were reinforced and scaling strategies integrated within a broader, collective field vision.

To summarize, the scaling strategies and the orientations toward mutual or general interest of the three cooperatives are clearly reflected in a set of strategic choices (type of RE sources and positions in the energy supply chain), which are also influenced by the behavior of the other cooperatives in the sector.

Discussion and Conclusion

The findings show how the scaling strategies of social enterprises, as hybrid organizations, can be understood in relation to the organizational mission as defined at the time of founding. While such mission integrates the focus on one predominant logic among the three logics combined by each organization (commercial, social, and environmental), it is also characterized by a given “interest orientation” defined at the time of founding. However, the links between the mission, defined in such broadened way, and the scaling strategy, extend and bring nuance to the relationships suggested in extant literature (Smith & Stevens, 2010). Indeed, despite its primacy of mutual interest orientation, Ecopower did not remain focused on a local, community-based membership and experienced a stronger organizational growth (“scale-up”) associated with a predominance of the commercial logic. Ecopower’s growth and dissemination of practices in Flanders and beyond (“scale-across”) was precisely fostered by its orientation toward mutual interest, as shown by the decisive role of cooperative members in resolving the tensions existing in the board at the time of becoming an electricity supplier. Bronsgroen followed a “scale-deep” strategy with a small set of beneficiaries clearly distinct from its membership, thereby combining a general interest orientation focused on the social logic with a very local, community-based focus. Finally, BeauVent adopted a mixed mutual/general interest orientation combined with a focus on the environmental logic. After overcoming the initial tensions due to such mixed positioning, the outcome was an intermediate, breadth-depth scaling strategy, providing a limited set of advantages to its members while broadly sharing its technologies to foster adoption and education.

The findings also show how the definition of the organizational mission of each cooperative and its attendant scaling strategy were influenced by the positioning of the other social enterprises in the field. Indeed, Bronsgroen and BeauVent clearly favored depth-scaling because Ecopower had already started growing massively thanks to its member-motivated electricity provision activity; and Ecopower was comforted in this role by the other cooperatives that offered complementary general interest-oriented activities such as educating on the environmental dimension of energy production and use. In addition, the results demonstrate how these mutual influences helped resolve tensions in the case of BeauVent, as Ecopower’s decision to become an electricity supplier.

These findings first contribute to better understanding how the different scaling strategies are shaped by the organizational mission defined by the founders, extending extant work on either individual values or organizational strategy as antecedents of social enterprise scaling strategies (André & Pache, 2016; Davies et al., 2018; Kannothra et al., 2018; Lyon & Fernandez, 2012; Vickers & Lyon, 2014). To characterize the organizational mission as defined by the founders, we complement the traditional analysis of logics combination with a key dimension that has not received much attention in the literature on social enterprises and more generally hybrid organizations, that is, the distinction between mutual and general interest. Complementing the combination of social, commercial, and, in this case, environmental missions endorsed by hybrid organizations (Battilana & Lee, 2014), this distinction contributes to a more fine-grained understanding of organizational hybridity and its imprinting in the scaling strategy (Dufays, 2019; Siegner et al., 2018). While previous literature has already highlighted the role of stakeholders such as clients and beneficiaries in shaping the hybridity of social enterprises (Santos et al., 2015), our work highlights the important role of organizational members, who have received

less attention so far despite their centrality in cooperative hybrid organizations (Mitzinneck & Besharov, 2019).

While the focus on members' needs might presume a local, depth-scaling strategy, our findings show how membership may on the contrary be a driver for a breadth-scaling, organizational growth strategy providing economies of scale and scope and thus increasing benefits for the members. Conversely, while general interest-oriented social enterprises working with beneficiaries outside organizational membership might be expected to favor breadth-scaling to reach out to an increasing array of beneficiaries, our study shows that general interest may also imply a close, in-depth approach with local community members.

Rather than contradicting previous research, our work rather enriches the insights into how hybridity, extended beyond the logic combination framework to also include the interest orientation, orients the scaling patterns of social enterprises. More broadly, through documenting how such mission imprints the subsequent scaling strategy, we contribute to emphasizing the importance of the organizational mission for social enterprises and, more generally, hybrid organizations (Kannothra et al., 2018). The mission signals the mix of logics and interest orientation endorsed by the founders, translates how such mix enacted in the organization (Dufays & Huybrechts, 2016), and how this balance enduringly shapes the organizational scaling strategy within the field.

Moreover, we extend the notion of hybridity to the interorganizational level by showing how, through collaborations and networks, social enterprises can each manage particular dimensions of a collectively negotiated hybridity. While interorganizational collaborations among hybrid organizations had already been highlighted at larger scales, such as the European level (Huybrechts & Haugh, 2018), our findings show that synergistic arrangements can also take place on smaller local markets. The observations thus highlight how collective dynamics, even at the local level, may be one complementary response to the organization-level tensions and contradictions inherent in hybridity (Battilana et al., 2015; Mitzinneck & Besharov, 2019). Balancing different types of positioning and scaling modes may thus enable diverse hybrid organizations in a field to collectively maintain hybridity and avoid mission drift (Hudon & Sandberg, 2013; Ometto et al., 2019).

Our findings also contribute to the literature on organizational imprinting and its effects on growth (Simsek et al., 2015). Our results refine our understanding of the effects of imprinting by extending to other types of organizations than the traditional for-profit business, and other patterns of scaling strategies than pure business growth, consistently with the literature suggesting a critical and comprehensive approach to organizational growth (Achtenhagen et al., 2010; Clarke et al., 2014; Leitch et al., 2010). More specifically, we document how different types of missions, in terms of both logic combination and interest orientation, shape how hybrid organizations grow and scale, thereby documenting the drivers of the diverse scaling strategies (Davies et al., 2018), from organizational growth under the impulse of mutual interest orientation and commercial focus, toward social or environmental focus in the context of general interest orientation that purposefully limits business growth in the benefit of deeper and/or more open dissemination patterns.

Moreover, while imprinting has been extensively developed at the level of organizations taken individually (Simsek et al., 2015), the interorganizational context in which imprinting takes place has received far less attention. Our findings show how imprinting is reinforced by the positioning of other organizations. As a consequence, the positioning of the pioneers (Ecopower in this case) will influence not only its own scaling strategy but also the positioning—and related scaling—of later established organizations.

The study is qualitative and exploratory and thus suffers inherent limitations in terms of the small number of cases and the specificity of the field. However, the goal was not to test preestablished hypotheses but rather to identify factors potentially explaining the purposefully selected

differences in scaling patterns. These factors could be examined in other types of social enterprises (e.g., social businesses) and in other fields to yield a more fine-grained understanding of their roles, individually and collectively, in shaping the scaling of social enterprises. Moreover, specific attention could be paid to the interaction between organizational mission and other factors, such as the evolution of the workforce (Battilana & Dorado, 2010) or broader shifts in the market or regulatory environment (Blundel & Lyon, 2014), and on the outcomes of these multi-level interactions on shaping scaling strategies. In addition, as interactions among social enterprises are likely to be more frequent on a local market such as Flanders, determining the factors leading to synergistic instead of competitive attitudes in broader settings such as national or international markets with a higher number of players constitutes an interesting path for future research, in line with the emerging research on social enterprise alliances and networks (Davies, 2009; Huybrechts & Haugh, 2018).

Finally, reversing the relationship between mission and scaling strategies, future studies could examine how the organizational mission evolves together with the scaling strategy (André & Pache, 2016; Kannothra et al., 2018). In particular, for the social enterprises scaling up quickly such as Ecopower, how far can one specific goal or logic be prioritized throughout the scaling process without losing sight on the other constitutive elements of hybridity, that is, without witnessing mission drift (Battilana & Dorado, 2010; Battilana & Lee, 2014; Ometto et al., 2019)? We hope that this article will encourage future research bringing further elements of answers to these fascinating questions.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: This research was partly conducted with the support of the FWO (SBO project S006019N).

ORCID iD

Thomas Bauwens  <https://orcid.org/0000-0003-3462-4631>

References

- Achtenhagen, L., Naldi, L., & Melin, L. (2010). "Business growth": Do practitioners and scholars really talk about the same thing? *Entrepreneurship Theory and Practice*, 34, 289-316.
- André, K., & Pache, A.-C. (2016). From caring entrepreneur to caring enterprise: Addressing the ethical challenges of scaling up social enterprises. *Journal of Business Ethics*, 133, 659-675.
- Battilana, J., & Dorado, S. (2010). Building sustainable hybrid organizations: The case of commercial microfinance organizations. *Academy of Management Journal*, 53, 1419-1440.
- Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing: Insights from the study of social enterprises. *Academy of Management Annals*, 8, 397-441.
- Battilana, J., Lee, M., Walker, J., & Dorsey, C. (2012, Summer). In search of the hybrid ideal. *Stanford Social Innovation Review*. Retrieved from https://ssir.org/articles/entry/in_search_of_the_hybrid_ideal
- Battilana, J., Sengul, M., Pache, A.-C., & Model, J. (2015). Harnessing productive tensions in hybrid organizations: The case of work integration social enterprises. *Academy of Management Journal*, 58, 1658-1685.
- Bauwens, T. (2016). Explaining the diversity of motivations behind community renewable energy. *Energy Policy*, 93, 278-290.

- Bauwens, T., & Eyre, N. (2017). Exploring the links between community-based governance and sustainable energy use: Quantitative evidence from Flanders. *Ecological Economics*, *137*, 163-172.
- Bauwens, T., Gotchev, B., & Holstenkamp, L. (2016). What drives the development of community energy in Europe? The case of wind power cooperatives. *Energy Research & Social Science*, *13*, 136-147.
- Ben-Ner, A., & Gui, B. (2000). The theory of nonprofit organizations revisited. In H. K. Anheier & A. Ben-Ner (Eds.), *The study of the nonprofit enterprise: Theories and approaches* (pp. 3-26). New York, NY: Kluwer Academic.
- Besharov, M. L., & Smith, W. K. (2014). Multiple institutional logics in organizations: Explaining their varied nature and implications. *Organization Studies*, *39*, 364-381.
- Blundel, R. K., & Lyon, F. (2014). Towards a “long view”: Historical perspectives on the scaling and replication of social ventures. *Journal of Social Entrepreneurship*, *6*, 80-102.
- Campi, S., Defourny, J., & Grégoire, O. (2006). Work integration social enterprises: Are they multiple-goal and multi-stakeholder organizations? In M. Nyssens (Ed.), *Social enterprise. At the crossroads of market, public policies and civil society* (pp. 29-49). London, England: Routledge.
- Clarke, J., Holt, R., & Blundel, R. (2014). Re-imagining the growth process: (Co)-evolving metaphorical representations of entrepreneurial growth. *Entrepreneurship & Regional Development*, *26*, 234-256.
- Cliff, J. (1998). Does one size fit all? Exploring the relationship between attitudes towards growth, gender and business size. *Journal of Business Venturing*, *13*, 523-542.
- Davies, I. A. (2009). Alliances and networks: Creating success in the UK fair trade market. *Journal of Business Ethics*, *86*(S1), 109-126.
- Davies, I. A., Haugh, H., & Chambers, L. (2018). Barriers to social enterprise growth. *Journal of Small Business Management*. Advance online publication. doi:10.1111/jsbm.12429
- Defourny, J., & Nyssens, M. (2006). Defining social enterprise. In M. Nyssens (Ed.), *Social enterprise. At the crossroads of market, public policies and civil society* (pp. 3-26). London, England: Routledge.
- Delmar, F., & Shane, S. (2006). Does experience matter? The effect of founding team experience on the survival and sales of newly founded ventures. *Strategic Organization*, *4*, 215-247.
- Desa, G., & Koch, J. L. (2014). Scaling social impact: Building sustainable social ventures at the base-of-the-pyramid. *Journal of Social Entrepreneurship*, *5*, 146-174.
- Doherty, B., Haugh, H., & Lyon, F. (2014). Social enterprises as hybrid organizations: A review and research agenda. *International Journal of Management Reviews*, *16*, 417-436.
- Dufays, F. (2019). Exploring the drivers of tensions in social innovation management in the context of social entrepreneurial teams. *Management Decision*, *57*, 1344-1361. doi:10.1108/MD-01-2017-0089
- Dufays, F., & Huybrechts, B. (2016). Where do hybrids come from? Entrepreneurial team heterogeneity as an avenue for the emergence of hybrid organizations. *International Small Business Journal*, *34*, 777-796.
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, *14*, 532-550.
- Eisenhardt, K. M., & Schoonhoven, C. B. (1990). Organizational growth: Linking founding team, strategy, environment, and growth among U.S. semiconductor ventures, 1978-1988. *Administrative Science Quarterly*, *35*, 504-529.
- Gidron, B. (2014). Market-oriented social enterprises employing people with disabilities: A participants' perspective. *Journal of Social Entrepreneurship*, *5*, 60-76.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, *16*, 15-31.
- Greening, L. A., Greene, D. L., & Dfiglio, C. (2000). Energy efficiency and consumption: The rebound effect—A survey. *Energy Policy*, *28*, 389-401.
- Gui, B. (1991). The economic rationale for the “third sector.” Nonprofit and other noncapitalist organizations. *Annals of Public and Cooperative Economics*, *62*, 551-572.
- Haigh, N., & Hoffman, A. J. (2014). The new heretics: Hybrid organizations and the challenges they present to corporate sustainability. *Organization & Environment*, *27*, 223-241.
- Haugh, H. (2007). Community-led social venture creation. *Entrepreneurship Theory and Practice*, *31*, 161-182.
- Hudon, M., & Sandberg, J. (2013). The ethical crisis in microfinance. *Business Ethics Quarterly*, *23*, 561-589.

- Huybrechts, B. (2012). *Fair trade organizations and social enterprise. Social innovation through hybrid organization models*. New York, NY: Routledge.
- Huybrechts, B., & Haugh, H. (2018). The roles of networks in institutionalizing new hybrid organizational forms: Insights from the European renewable energy cooperative network. *Organization Studies*, 39, 1085-1108.
- Huybrechts, B., & Mertens, S. (2014). The relevance of the cooperative model in the field of renewable energy. *Annals of Public and Cooperative Economics*, 85, 193-212.
- Jaumier, S. (2017). Preventing chiefs from being chiefs: An ethnography of a co-operative sheet-metal factory. *Organization*, 24, 218-239.
- Johnson, V. (2007). What is organizational imprinting? Cultural entrepreneurship in the founding of the Paris Opera. *American Journal of Sociology*, 113, 97-127.
- Kannothra, C. G., Manning, S., & Haigh, N. (2018). How hybrids manage growth and social-business tensions in global supply chains: The case of impact sourcing. *Journal of Business Ethics*, 148, 271-290.
- Leitch, C., Hill, F., & Neergaard, H. (2010). Entrepreneurial and business growth and the quest for a "comprehensive theory": Tilting at windmills? *Entrepreneurship Theory and Practice*, 34, 249-260.
- Lyon, F., & Fernandez, H. (2012). Strategies for scaling up social enterprise: Lessons from early years providers. *Social Enterprise Journal*, 8, 63-77.
- Mair, J., Mayer, J., & Lutz, E. (2015). Navigating institutional plurality: Organizational governance in hybrid organizations. *Organization Studies*, 36, 713-739.
- Majumdar, S. K. (2004). The hidden hand and the license raj to an evaluation of the relationship between age and the growth of firms in India. *Journal of Business Venturing*, 19, 107-125.
- Marquis, C. (2003). The pressure of the past: Network imprinting in intercorporate communities. *Administrative Science Quarterly*, 48, 655-689.
- Marquis, C., Davis, G. F., & Glynn, M. A. (2013). Golfing alone? Corporations, elites, and nonprofit growth in 100 American communities. *Organization Science*, 24, 39-57.
- Marquis, C., & Huang, Z. H. I. (2010). Acquisitions as exaptation: The legacy of founding institutions in the U.S. commercial banking industry. *Academy of Management Journal*, 53, 1441-1473.
- Marquis, C., & Tilsik, A. (2013). Imprinting: Toward a multilevel theory. *Academy of Management Annals*, 7, 193-243.
- McEvily, B., Jaffee, J., & Tortoriello, M. (2012). Not all bridging ties are equal: Network imprinting and firm growth in the Nashville legal industry, 1933-1978. *Organization Science*, 23, 547-563.
- McKelvie, A., & Wiklund, J. (2010). Advancing firm growth research: A focus on growth mode instead of growth rate. *Entrepreneurship Theory and Practice*, 34, 261-288.
- Meyer, R. E., & Höllerer, M. A. (2016). Laying a smoke screen: Ambiguity and neutralization as strategic responses to intra-institutional complexity. *Strategic Organization*, 14, 373-406.
- Mitzinneck, B. C., & Besharov, M. L. (2019). Managing value tensions in collective social entrepreneurship: The role of temporal, structural, and collaborative compromise. *Journal of Business Ethics*, 159, 381-400. doi:10.1007/s10551-018-4048-2
- Muñoz, P., Cacciotti, G., & Cohen, B. (2018). The double-edged sword of purpose-driven behavior in sustainable venturing. *Journal of Business Venturing*, 33, 149-178.
- Ometto, M. P., Gegenhuber, T., Winter, J., & Greenwood, R. (2019). From balancing missions to mission drift: The role of the institutional context, spaces, and compartmentalization in the scaling of social enterprises. *Business & Society*, 58, 1003-1046. doi:10.1177/0007650318758329
- Penrose, E. (1959). *The theory of the growth of the firm*. Hoboken, NJ: Wiley.
- Renard, M.-C. (2010). In the name of conservation: CAFE practices and fair trade in Mexico. *Journal of Business Ethics*, 92, 287-299.
- Roberts, P. W., Klepper, S., & Hayward, S. (2011). Founder backgrounds and the evolution of firm size. *Industrial and Corporate Change*, 20(6), 1515-1538.
- Santos, F., Pache, A.-C., & Birkholz, C. (2015). Making hybrids work: Aligning business models and organizational design for social enterprises. *California Management Review*, 57(3), 36-58.
- Schneiberg, M. (2013). Movements as political conditions for diffusion: Anti-corporate movements and the spread of cooperative forms in American capitalism. *Organization Studies*, 34(5-6), 653-682.
- Siegner, M., Pinkse, J., & Panwar, R. (2018). Managing tensions in a social enterprise: The complex balancing act to deliver a multi-faceted but coherent social mission. *Journal of Cleaner Production*, 174(Suppl. C), 1314-1324.

- Simsek, Z., Fox, B. C., & Heavey, C. (2015). "What's past is prologue": A framework, review, and future directions for organizational research on imprinting. *Journal of Management*, *41*, 288-317.
- Siqueira, A. C. O., Guenster, N., Vanacker, T., & Crucke, S. (2018). A longitudinal comparison of capital structure between young for-profit social and commercial enterprises. *Journal of Business Venturing*, *33*, 225-240.
- Smith, B. R., Kistruck, G. M., & Cannatelli, B. (2016). The impact of moral intensity and desire for control on scaling decisions in social entrepreneurship. *Journal of Business Ethics*, *133*, 677-689.
- Smith, B. R., & Stevens, C. E. (2010). Different types of social entrepreneurship: The role of geography and embeddedness on the measurement and scaling of social value. *Entrepreneurship & Regional Development*, *22*, 575-598.
- Spear, R., Cornforth, C., & Aiken, M. (2009). The governance challenges of social enterprises: Evidence from a UK empirical study. *Annals of Public and Cooperative Economics*, *80*, 247-273.
- Stinchcombe, A. L. (1965). Social structure and organizations. In J. G. March (Ed.), *Handbook of organizations* (pp. 142-193). Chicago, IL: Rand McNally.
- Suddaby, R., Bruton, G. D., & Si, S. X. (2015). Entrepreneurship through a qualitative lens: Insights on the construction and/or discovery of entrepreneurial opportunity. *Journal of Business Venturing*, *30*, 1-10.
- Tilcsik, A. (2014). Imprint–environment fit and performance: How organizational munificence at the time of hire affects subsequent job performance. *Administrative Science Quarterly*, *59*, 639-668.
- Tornikoski, E. T., & Renko, M. (2014). Timely creation of new organizations: Imprinting effects of entrepreneurs' initial founding decisions. *M@n@gement*, *17*, 193-213.
- Tracey, P., & Jarvis, O. (2007). Toward a theory of social venture franchising. *Entrepreneurship Theory and Practice*, *31*, 667-685.
- Tremblay, C., Gutberlet, J., & Peredo, A. M. (2010). United we can: Resource recovery, place and social enterprise. *Resources, Conservation & Recycling*, *54*(7), 422-428.
- Uvin, P., Jain, P. S., & Brown, L. D. (2000). Think large and act small: Toward a new paradigm for NGO scaling up. *World Development*, *28*, 1409-1419.
- Vickers, I., & Lyon, F. (2014). Beyond green niches? Growth strategies of environmentally-motivated social enterprises. *International Small Business Journal*, *32*, 449-470.

Author Biographies

Thomas Bauwens is a post-doctoral researcher at the Utrecht University's Copernicus Institute of Sustainable Development. His research lies in the interlinkages between business and sustainability, with a current focus on the roles of circular start-up hubs in the transition to a circular economy. Additional research interests include the socio-economics of collective action in environmental contexts, the governance of community-based enterprises and citizen participation in the energy transition. He holds a PhD in economics from HEC Liège Management School, University of Liège. His work has been published in journals such as *World Development*, *Ecological Economics*, *Energy Policy*, and *Energy Research & Social Science*.

Benjamin Huybrechts is associate professor in Entrepreneurship and Organization at emlyon business school. His research deals with collective dynamics underlying the emergence of social entrepreneurship (e.g. teams, incubators, coworking spaces, etc.), the governance of social enterprises as "hybrid" organizational forms, and the institutional diffusion of social innovations through cross-sector partnerships and meta-organizations. Such topics are examined in different types of organizational forms (cooperatives, nonprofits, social businesses, etc.) and fields (fair trade, renewable energy, recycling, etc.). His work has been published in journals such as *Organization Studies*, the *Journal of Business Ethics*, the *British Journal of Industrial Relations* and the *International Small Business Journal*.

Frédéric Dufays is a post-doctoral researcher at KU Leuven, Belgium. He coordinates the Centre of Expertise for Cooperative Entrepreneurship (KCO). Frédéric earned a PhD Degree in Management from HEC Liège Management School, University of Liege. His research interests include the emergence of social hybrid organizations, the democratic governance of cooperatives as well as the relationships between cooperatives and social movements.