NEW START-UP INTERMEDIARIES: AN INSTITUTIONAL THEORY PERSPECTIVE

A thesis presented for the degree of
Doctor of Philosophy of Imperial College London
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Abstract

The present dissertation consists of three free-standing papers focused on the challenges that new start-up intermediaries face when spanning different social groups.

The first paper advances theoretical understanding of the accelerator as an organizational form by drawing on a systematic literature review. We identify four distinct research orientations on the accelerator, highlight their common and divergent perspectives on the organizational features of the accelerator and synthesize them into an integrative typology. We contribute to our understanding of the theoretical underpinnings of the accelerator.

The second paper inducts a model of a change in the instantiation of logics at an estranged hybrid by drawing on a longitudinal single case study analysis of a hybrid accelerator spanning the university, corporate, and professional software developer logics. We induct that internal agents enable such change by (1) renegotiating hybrid goals, (2) acquiring target logic, (3) acculturating into target logic and (4) embedding the new instantiation of logics. We further illuminate the different responses that individuals expose when engaging with changing institutional logics at estranged hybrids.

The third paper explores how a concept gets translated into a recipient organization when the logics of the source context and the recipient context are mutually incompatible. Using ethnographic techniques, I conduct a longitudinal single case study analysis of a corporation that implemented the concept of impact investing. I find that the corporate motivations for implementing the concept gradually change as tensions surface, and that this leads the internal agents to morph the implemented concept from a strict coupling to a decoupling with the source concept.

Keywords: institutional logics; hybrid organizing; start-up intermediaries
Declaration of Originality

I, Laurens Vandeweghe, hereby confirm to be the author of this dissertation. Any others’ work is appropriately referenced throughout the document.

The first paper has been guided in the argumentation and analysis by my supervisors Dmitry Sharapov and Bart Clarysse, who are both co-authors on the working paper. The second paper has been based on data gathering that was initiated by my co-authors for that paper – Llewellyn Thomas, Dmitry Sharapov, and Erkko Autio. I led the data analysis, argumentation, theorization, and framing of this paper. The third paper is a single authored paper building on my own extensive data collection and analysis.
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for the entirety of my PhD; Maxine, for endlessly listening to my periodic iterations and doubts; Can, for the enjoyable drinks and dinners together, Marina, for making fun; Lisa, for talking practice; Mara, for sharing our learnings; Cleo, for the inspiring talks; Artemis, for the runs and coffees; Petra, for the chats and walks; Anupa, for enjoying life; Lin, for being there; Stefano, for his collaborative attitude; Chris, for sharing passions; and so many others, for inspiring me in this profession. I cannot wait to meet you all again at conferences or reunions.

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Introduction

In the last decade, one can witness on an almost global level the surge of new forms of spurring and organizing innovation through entrepreneurship, characterized by smaller investments, limited governance involvement and educational elements (Ewens, Nanda, & Rhodes-Kropf, 2018). The number of incubators, accelerators, and impact funds has risen around the globe, and this growth is driven by both the private and the public sector. Almost every large company and many private, public and semi-public actors are now (co-)running one or more of such “start-up intermediaries” (Cohen, Fehder, Hochberg, & Murray, 2019). Whereas the existence and continued emergence of these new start-up intermediaries has attracted sustainable resonance in some fields of entrepreneurship research, such as entrepreneurial learning and experimentation (e.g., Cohen, Bingham, & Hallen; 2019; Younger & Fisher, 2020; Hallen, Cohen, & Bingham, 2020), entrepreneurial ecosystems (e.g., Goswami, Mitchell, & Bhagavatula, 2018; Autio, Nambisan, Thomas, & Wright, 2018), and entrepreneurial finance (e.g., Yu, 2020; Plummer, Allison, & Connelly, 2016; Ewens, Nanda, & Rhodes-Kropf, 2018), there are only limited theoretical advances in institutional theory on the basis of this phenomenon (for exceptions, see Tracey, Dalpiaz, & Phillips, 2018 and Hehenberger, Mair, & Metz, 2019).

Many of these new start-up intermediaries present novel and interesting settings for institutional scholars. As large organizations are increasingly looking for ways to work with start-ups (Bonzom & Netessine, 2016), new start-up intermediaries are often set up as part of universities or corporations to nurture innovations or ecosystems (Shankar & Shepherd, 2019). Operating in a context of institutional complexity (Greenwood, Raynard, Kodeih, Micelotta,
Lounsbury, 2011), they will be subject to different and sometimes contrasting expectations, stemming from the different “worlds” spanned, such as the corporate world and early-stage start-ups or independent professionals in the case of corporate start-up intermediaries. Each of these worlds will have distinct and sometimes conflicting identities, goals, norms, and practices (Zietsma, Groenewegen, Logue, & Hinings, 2017). Legitimacy pressures that have previously been found in corporate venturing units (Souitaris, Zerbinati, & Liu, 2012), subsidiaries of multinational corporations (Kostova & Roth, 2002), and technology transfer offices (O’kane, Mangematin, Geoghegan, & Fitzgerald, 2015) tend to be accelerated and exacerbated in this context due to the pre-institutionalised stage of new start-up intermediaries (Tolbert & Zucker, 1996). Not surprisingly, many start-up intermediaries have a high mortality rate, with 60% of corporate accelerators reported to be discontinued after 2 years\(^1\). Because it takes time before these start-up intermediaries can demonstrate return-on-investment to the parent organizations, their survival will mainly depend on responding to normative instead of commercial expectations.

This doctoral thesis aims to contribute to our understanding of the struggles that some of these new start-up intermediaries and their host environments experience and the role of internal agents in manoeuvring between different worlds. In doing so, I will particularly draw on, and contribute to the literature on institutional logics. Institutional logics encompass a set of assumptions and values embedded in organizational members’ cognition and preferences about what is perceived as meaningful and appropriate in a certain setting (Thornton, Ocasio, & Lounsbury, 2015). The configuration of attributes within a certain institutional logic characterizes a particular class of organizations and their actions (Glynn & Lounsbury, 2005),

which further influences how members of organizations interpret and act in their relationships with others (Thornton et al., 2015). New start-up intermediaries will typically operate in contexts where multiple institutional logics overlap. In these settings, it is important to understand how organizational members and units can deal with multiple and often incompatible logics, and cope with the different expectations stemming from these logics (Kraatz & Block, 2007). The institutional challenges that new start-up intermediaries face form the basis of my research.

The first challenge that some of these new start-up intermediaries face, is around their organizational design and features. As sometimes happens with phenomena that resonate with industry trends, there has been relatively little exploration of the organizational features and theoretical underpinnings of new start-up intermediaries. This is surprising, as many of these new start-up intermediaries have become established organizations. Especially with regards to the rapidly growing literature on the business accelerator, a poor understanding of its organizational features risks jeopardizing the research potential of this new context. While the widespread phenomenon of the business accelerator has enjoyed increasing attention amongst scholars, there have only been few studies zooming in on these new start-up intermediaries from an organizational angle, and the terms and organizational features attributed to these organizations vary widely across different research streams.

The first paper aims to introduce the subject of new start-up intermediaries by shedding light on the organizational features of the most prominent and popular form of new start-up intermediaries, the business accelerator. In a joint work with my supervisors, we draw on a systematic review of the literature on accelerators, and identify four distinct research orientations that have shown interest in the accelerator: organizational learning and adaptation, entrepreneurial finance, entrepreneurial ecosystems, and corporate innovation and
entrepreneurship. We compare and contrast these orientations along the organizational features that they attribute to the accelerator and synthesize them into an integrative typology.

The first paper thus contributes to the literature on accelerators and start-up intermediaries more broadly by advancing our understanding of the distinctiveness and theoretical underpinnings of the accelerator. We also help towards cumulativeness and transferability of findings using this context by means of a typology that enables future researchers to situate their orientation or interpret the orientations of other research. Based on our findings, we present a research agenda that cuts across the different research orientations and focuses on the theoretical debates that organizational research on accelerators could contribute to.

A second challenge that I identified, is to understand how these new start-up intermediaries can change their alignment in response to changes in their resource dependence or opportunity set. Start-up intermediaries that span different social groups that adhere to mutually incompatible institutional logics, will tend to exhibit an “estranged” instantiation of logics: i.e., a combination of one dominant logic, that predominantly guides the behavior of actors, and one or more minority logics to which these organizations have to show appropriateness (Goodrick & Reay, 2011; Besharov & Smith, 2014). However, over time, this instantiation of logics might change, as e.g., their resource dependence changes. So far, little is known about how an “estranged hybrid” can change its instantiation of logics over time. The context of the hybrid accelerator serves as a living laboratory in this case spanning different social groups, typically the corporate, charity and/or university logics of one or more sponsors (Cohen, Fehder, Hochberg, & Murray, 2019), and the professional logic of (software) developers (Lakhani, 2005).

In the second paper, we – an author team linked to Imperial College – explore how an estranged hybrid positioned at the interface of different social domains deals with a change in
its instantiation of logics. To do so, we draw on a longitudinal inductive single case study of AppCampus, a hybrid accelerator mediating collaboration among the university, corporate, and software developer worlds. In examining how a hybrid’s adherence to an initial dominant logic changes over time, we focus on the periodic actions and interactions of the organizational members of the accelerator with its constituencies. Our findings first show that an instantiation of logics changes through four processes – (1) renegotiating hybrid goals, (2) acquiring target logic, (3) acculturating into target logic and (4) embedding new instantiation of logics – and, second, illuminate how individuals inside an estranged hybrid react to changing institutional logics.

The second paper thus contributes to hybrid organizing and institutional theory. The work is novel by zooming in on logic instability in estranged hybrids and showing that the processes of a change in its logics differs from the processes found in studies on the more well studied contested or blended hybrids that embody two or more seemingly incompatible logics at the core of their organizational functioning. We show how relational spaces play a role in helping the estranged hybrid to comply with the corporate practices. The process of change in its instantiation of logics is finalized when the new logic instantiation is being acculturated and eventually embedded into the hybrid unit. We contribute to the literature on institutional logics by demonstrating that, by framing the change in logic alignment as an opportunity to leverage a different logic rather than as the result of a coercive pressure, managers can convince other organizational members to drop resistance and accommodate the change.

A third institutional challenge revolves around the translation of these new start-up intermediary concepts into fundamentally different organizational contexts than their source contexts. For instance, the concept of an impact fund embodies the values and ideas from philanthropy, financial markets, social economy, and policy (Hehenberger, Mair, & Metz,
2019). However, as this concept gains in popularity, it will be implemented by organizations that have little in common with the original areas of their emergence (Abrahamson, 1991). It remains unclear how concepts where the source and recipient contexts are mutually incompatible are being translated by these new hosts. Given the widespread adoption of many new start-up intermediaries by hosts such as governments, corporations and charities, this context presents an opportunity to look at this process in-depth.

In the third paper, I explore the translation of the concept of an impact investing by a corporation. Corporations are increasingly pursuing and trialling less-conventional ideas, practices and forms from fundamentally different fields to affect positive environmental and social change. While institutional scholars have explored the translation of ideas, practices, and forms in-between contexts that adhere to the same or largely compatible logics, much less is known about the translation of concepts in-between mutually incompatible logics. Drawing on a 20 months long ethnographic single case study of the translation of the concept of impact investing into a European media corporation, I show that the corporate motivations for such translation gradually change as tensions surface, morphing the translated concept from a strict coupling to a decoupling with the source concept, and highlight the role of internal agents in their attempt to resist this process and find a middle way.

The third paper contributes to the literatures on institutional translation, organizational adoption of practices and ideas, and grand challenges. I show that organizational actors may have been attracted to a certain concept discovering only later that this concept presupposed certain elements from an incompatible logic, and that this will subsequently lead to changes in the operational and programmatic elements of the concept during implementation to better fit the host context. I advance our understanding of the role of internal agents in the translation of concepts between incompatible logics and the dilemma they face at critical moments to either
keep the initiative into existence by adjusting the essence of the concept to better fit the host logic, thereby compromising the transformational potential of the concept, or resist adjustment and risk the reversal of the adoption.

This dissertation consists of three papers that are free-standing and that make use of different data sets to address the questions at hand. For the first paper, I conduct a literature review using an extensive sample of published work. For the second paper, I used rich qualitative data from a hybrid accelerator including 122 semi-structured interviews conducted quarterly over a period of two and a half years. For the third paper, I primarily draw from a longitudinal qualitative data set from a single case study, gathered via a 20-months long ethnography.
The Business Accelerator as an Organizational Form: A Review and Reconceptualization

Abstract. The use of the term accelerator has proliferated in both practice and management research. Despite this rapid proliferation, theoretical understanding of the accelerator as an organizational form is lacking. We draw on a systematic literature review to identify four distinct research orientations on the accelerator: organizational learning and adaptation, entrepreneurial finance, entrepreneurial ecosystems, and corporate innovation and entrepreneurship. We compare and contrast these orientations along the organizational features that they attribute to the accelerator and synthesize them into an integrative typology. We contribute to the understanding of the distinctiveness and theoretical underpinnings of the accelerator and help towards cumulativeness and transferability of findings. We present a research agenda that cuts across the different research orientations and focuses on the theoretical debates that organizational research on accelerators could contribute to, based on our findings.
2.1 INTRODUCTION

Since Y Combinator was established as the first accelerator in 2005 and some of its early graduates gained rapid success (e.g. Reddit, Airbnb, Dropbox, Stripe, etc.), this form of entrepreneurial support organization has spread worldwide (Younger & Fisher, 2020). In 2019, more than 1,000 entities self-identified as accelerators\(^2\). This emergence is observable in both bigger regional clusters as well as smaller decentralized regions, and it is driven by both the private and the public sector (Pauwels, Clarysse, Wright, & Van Hove, 2016; Yang, Kher, & Lyons, 2018; Cohen, Fehder, Hochberg, & Murray, 2019). Following the proliferation of the start-up intermediary in practice, scholars from different research streams have shown an increasing interest in this “emerging but increasingly prevalent organizational form” (Cohen, Bingham, Hallen, 2018: 38). Analysis of the ISI Web of Science Citation Index identified more than 100 business, business finance and management papers using the term accelerator in their title, abstract, or keywords\(^3\), of which half has appeared since 2017.

As much of the interest in the accelerator has come from the fields of innovation and entrepreneurship, the organizational features of the accelerator have been relatively underdeveloped. The organizational perspective on the accelerator has largely focused on its program package – intensive programs of limited duration, involving events and intensive mentoring, to cohorts of entrepreneurs or entrepreneurial teams that periodically graduate (e.g., Pauwels et al., 2016) – and how this offering differs from those provided by incubators and angel investors (Cohen, 2013; Cohen & Hochberg, 2014; Bliemel & Flores, 2015). Not surprisingly, this narrow conceptualization of the accelerator does not seem to fully capture the organizational form, as several studies have mentioned that the accelerator’s organizational

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\(^2\) According to http://www.f6s.com/accelerators.

\(^3\) After manual verification of the use of the term as organizational form to stimulate entrepreneurship.
features go beyond its program package (e.g., Bliemel & Flores, 2015; Pandey, Saurabh, & Pandey, 2017; Richter, Jackson, & Schildhauer, 2018). Current research has reported differing interpretations regarding the accelerator’s more fundamental organizational features, describing the accelerator, amongst others, as an “organizational sponsor” (Cohen et al., 2018), a “financial intermediary” (Kim & Wagman, 2017), an “innovation intermediary” (Gabrielsson, Politis, Persson, & Kronholm, 2018), a “physical space intermediary” (Clayton, Feldman, & Lowe, 2018), and an “ecosystem intermediary” or “institutional intermediary” (Goswami, Mitchell, & Bhagavatula, 2018), creating further confusion amongst practitioners and scholars alike (Bliemel & Flores, 2015; Drover, Busenitz, Matusik, Townsend, Anglin, & Dushnitsky, 2017; Hathaway, 2017).

Insufficient understanding of the organizational form of the accelerator and the different interpretations of each research stream may hamper cumulativeness and transferability of the findings emerging from the growing body of empirical research using this context and constrain its potential to contribute to debates in business and management. Despite its great potential to inform scholars within business and management on a range of different theories and phenomena at multiple levels of analysis (for an overview, see O’Mahony & Karp, 2017), the lack of conceptual development of the accelerator may make it hard to cumulate and interpret findings from different studies using this research context. This proposal aims to bridge the different disciplinary contributions under an organizational perspective.

We draw on a systematic literature review (Tranfield, Denyer, & Smart, 2003) to inform our synthesis of the literature on accelerators. Three distinct contributions are offered in this paper: (1) a review and synthesis of the literature in this burgeoning field from an organizational perspective, (2) identification of the core features of the accelerator, drawing on studies on organizational forms (e.g., Carroll, 1984; Romanelli, 1991; Polos, Hannan, &
Carroll, 2002; Hsu & Hannan, 2005), (3) development of novel typology which captures the similarities and divergences regarding these features and provide an agenda for future research grounded in theory and deduced from the novel typology.

2.2 METHODOLOGY

The research goal led us to adopt a meta-synthesis approach (Hoon, 2013). This approach takes mostly qualitative studies to reach “understanding or interpretive explanations of the phenomenon”, rather than predictive theory (Jensen & Allen, 1996: 554, see also Rousseau, Manning, & Denyer, 2008). Consequently, meta-synthesis is particularly useful when studies display disparate findings about the same phenomenon and do not contribute significantly to the full understanding of the phenomenon of interest when considered individually (Rousseau, Manning, & Denyer, 2008). By accumulating and synthesizing knowledge from a broader set of studies that focuses on the same phenomenon in similar settings, it enables the integration or comparison of findings from studies while taking into account important similarities and differences between them (Tranfield et al., 2003). Similar approaches have been used in reviews on other management phenomena that suffered from conceptual confusion such as platforms (Thomas, Autio, & Gann, 2014) or poorly theorized organizational forms such as state-owned enterprises (Bruton, Peng, Ahlstrom, Stan, & Xu, 2015).

We followed a three-staged method for interpretative synthesis adapted from Tranfield et al. (2003): (1) identification of studies, (2) evaluation and selection of studies, (3) data extraction and research synthesis. The whole meta-synthesis process was prepared and documented in a research protocol. Prior to locating relevant research, the authors conducted a scoping study and defined the accelerator as an organizational type that offers entrepreneurial training programs to teams or individuals to stimulate venture creation and growth. A broad definition was chosen as several scholars have raised concerns about the narrow service-oriented
definition of the accelerator currently used in existing research (Bliemel & Flores, 2015; Pandey et al., 2017; Richter et al., 2018).

2.2.1 IDENTIFICATION OF STUDIES

The literature that was used in the review stems from an extensive search of the ISI Web of Science database for articles that have the term “accelerator*” or “start*up factor*” in their topic. To ensure that only relevant research papers were reviewed, we confined the scope to journals in the fields of business, business finance and management. The bibliographies of the articles were read to identify and subsequently retrieve other articles on the accelerator, including proceedings, working papers, and think tank reports. This process of retrieving studies was repeated until no more new sources were found. After omitting the duplicates and the studies that were not (partly) devoted to the accelerator concept as defined by the authors, a final sample of 349 studies was identified of which 168 published scholarly papers.

2.2.2 EVALUATION AND SELECTION OF STUDIES

The identified research studies were then evaluated and selected based on a priori defined inclusion criteria. First, the data set was compared with the journals listed by the Academic Journal Guide of the Chartered Association of Business Schools (CABS), and papers published in journals with two or more stars were included (n=34). Second, all remaining studies were evaluated against three inclusion criteria relating to the research rigor, based on Glaser and Strauss (1967) and Rheinhardt, Kreiner, Gioia, and Corley (2017). These criteria included: data volume and depth – does the study use a large volume of reliable data from different sources

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4 The Academic Journal Guide provides a guide to the range, subject matter, and relative quality of the journals in which business and management academics publish (CABS, 2018). For two star journals, the Academic Journal Quality Guide mentions: “Journals in this category publish original research of an acceptable standard. For these well regarded journals in their field, papers are fully refereed according to accepted standards and conventions. Citation impact factors are somewhat more modest in certain cases. Many excellent practitioner oriented articles are published in 2-rated journals” (CABS, 2018: 10)
about the issues been explored or compared to enable triangulation and saturation? – plausibility – does the study reveal an appropriate level of detail/description to ensure plausibility to the audience? – and transparency – does the study contain a sufficient amount of information describing research design, data collection and analysis procedures to adequately support the researcher’s conclusions?

Table 2.1. Overview of included studies in review

<table>
<thead>
<tr>
<th>Type</th>
<th>Nb. of studies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Journal publications</strong></td>
<td>41</td>
</tr>
<tr>
<td>Management</td>
<td>20</td>
</tr>
<tr>
<td><strong>Entrepreneurship</strong></td>
<td>14</td>
</tr>
<tr>
<td><strong>Business Finance</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>2</td>
</tr>
<tr>
<td>Journal of Cleaner Production (1), Marquette Law Review (1)</td>
<td></td>
</tr>
<tr>
<td><strong>Conference proceedings</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Think tank reports</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Unpublished / unsubmitted research</strong></td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47</td>
</tr>
</tbody>
</table>

A final sample of 47 research studies was included in the review (see table 2.1). The selected studies consist of published scholarly articles (41), conference proceedings (2), think tank
reports (2) and unpublished scholarly articles (2). Relying on published as well as unpublished literature, we limit the potential for publication bias (Kepes, Banks, McDaniel, & Whetzel, 2012).

2.2.3 DATA EXTRACTION AND RESEARCH SYNTHESIS

To extract data and synthesize the research, a thematic analysis of the research papers was conducted, categorizing the content of text and identifying relationships among the categories (Boyatzis, 1998). The first author constructed a data extraction form, a cross-table which contained relevant information on each study in the sample. Besides factual information such as the study’s theoretical base, research question, and unit of analysis, this table also included interpretive information with regards to the accelerator such as the descriptions and (explicit and implicit) assumptions of the author(s) with regards to the accelerator’s role, activities, or impact. Rather than focusing on the studies’ specific archetypes or empirical contexts, the analysis focused on the generic conceptual underpinnings of the accelerator and the theoretical contexts in which the term is used. Based on this, we identified four distinctive classes of studies across the sample. Consensus between the authors was reached on this classification after multiple iterations of immersion in the literature and mutual discussions.

The classifications formed the basis for the interpretative meta-synthesis. Using themes induced from the thematic analysis and inspired by studies on organizational forms (Carroll, 1984; Romanelli, 1991; Polos et al., 2002; Hsu & Hannan, 2005), the first author coded the conceptual foundations across these different research orientations. Each cluster and all the studies it contained were coded according to four themes: (1) program package, (2) structure, (3) function, and (4) purpose. Although the definition of organizational form is somewhat contested (McKendrick & Carroll, 2001; Romanelli, 1991), the chosen themes and the interpretative angle align what these studies consider to be important for characterizing an organizational form. While, traditionally, the common features were seen as a defining element
of form (Carroll, 1984), such as “the internal structure and process of an organization and the inter-relation of its subunits which contribute to the unity of the whole organization and to the maintenance of its characteristic activities, function or nature” (McKelvey, 1982: 458), scholars have recently extended these ideas to include the role of organizational identity or identity codes as perceived by relevant audiences (Romanelli, 1991; Hsu & Hannan, 2005; Polos \textit{et al.}, 2002). In this meta-synthesis, we incorporate both the accelerator’s objective features as well as audiences' perceptions of the accelerator’s unique identity into our analysis.

During the coding process, we recognized that the research orientations’ conceptualizations of the accelerator are very similar with regards to the accelerator’s program package and structure, but divergent regarding its function and purpose. By continuously comparing and contrasting the studies in the sample focusing on their similarities and divergences, we developed a novel typology that outlines and explicates the four views on the accelerator. In line with Doty and Glick’s (1994) recommendation for building theoretical insights through the development of a typology, we carved out ideal types which each represent a unique combination of the organizational attributes that are associated with the accelerator.

Below, we first detail the four orientations on the accelerator that we distinguished from the literature. Subsequently, we compare and contrast them according to the two convergent themes – program package and structure – and two divergent themes – function and purpose. On this basis, we then synthesize the four orientations into a novel typological framework.

\textbf{2.3 RESEARCH ORIENTATIONS ON THE ACCELERATOR}

From the dispersed state of literature on accelerators, four main research orientations have been identified, each attributing different roles to the accelerator, focusing on different audiences, and if any, adopting different theoretical lenses (see table 2.2 for a summary). In what follows, we review the literature along these four distinct research orientations.
<table>
<thead>
<tr>
<th>Research orientation</th>
<th>Organizational learning and adaptation</th>
<th>Entrepreneurial finance</th>
<th>Entrepreneurial ecosystems</th>
<th>Corporate innovation and entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Roles</strong></td>
<td>Organizational sponsor, new generation incubation model, supportive organizational entity</td>
<td>Financial intermediary, small VC-fund, spray-and-pray model</td>
<td>Ecosystem intermediary, physical space intermediary, innovation intermediary</td>
<td>Corporate start-up engagement vehicle, outside-in innovation program</td>
</tr>
<tr>
<td><strong>Focal beneficiaries</strong></td>
<td>Portfolio companies</td>
<td>Investors</td>
<td>Entrepreneurial ecosystem</td>
<td>Corporate sponsor / (eco)system</td>
</tr>
<tr>
<td><strong>Level of analysis</strong></td>
<td>Entrepreneurial team / venture / accelerator</td>
<td>Venture / portfolio</td>
<td>Network</td>
<td>Corporate / network</td>
</tr>
<tr>
<td><strong>Key theories / concepts</strong></td>
<td>Business models, organizational learning</td>
<td>Start-up finance, signaling, governance</td>
<td>Entrepreneurial ecosystems, innovation systems</td>
<td>Corporate entrepreneurship, open innovation, innovation / business ecosystems</td>
</tr>
<tr>
<td><strong>Empirical setting</strong></td>
<td>All accelerators</td>
<td>Investment accelerators</td>
<td>All accelerators</td>
<td>Corporate accelerators</td>
</tr>
<tr>
<td><strong>Papers until 2019</strong></td>
<td>18 (38%)</td>
<td>9 (19%)</td>
<td>10 (21%)</td>
<td>10 (21%)</td>
</tr>
</tbody>
</table>
2.3.1 ORGANIZATIONAL LEARNING AND ADAPTATION

We refer to the first research orientation as organizational learning and adaptation. The studies within this orientation have conceptualized the accelerator as an “organizational sponsor” (Hallen, Bingham, & Cohen, 2016; O’Mahony & Karp, 2017; Cohen et al., 2018) or a “new generation incubation model” (Pauwels et al., 2016; Malek, Miane, & McCarthy, 2014) that provides resources intended to increase firm survival and success, as part of the broader type of incubation entities or programs (Grimaldi & Grandi, 2005) but distinct from traditional incubators (Cohen, 2013; Bliemel & Flores, 2015; Pauwels et al., 2016). Drawing from the literatures on organizational learning and adaptation (Chakravarthy, 1982; Fiol & Lyles, 1985) and business models (Chesbrough & Rosenbloom, 2002; Zott, Amit, & Massa, 2011), the organizational learning and adaptation orientation has focused on understanding (different) accelerators’ services and practices (Cohen & Hochberg, 2014; Adomdza, 2015; Malek et al., 2015; Pauwels et al., 2016; Battistella, De Toni, & Pessot, 2017; Pandey et al., 2018, Yin & Luo, 2018; Kreusel, Roth, & Brem, 2018), whether accelerators affect venture success through organizational learning (Hallen et al., 2016) and which design choices with regards to its services optimize and accelerate learning at the venture-level (Gonzalez-Uribe & Leatherbee, 2017; Cohen et al., 2018; Stayton & Mangematin, 2018). To a lesser extent, this orientation has looked at how accelerators get formed by borrowing and deviating from “exemplar forms”, such as the Techstars and Y Combinator accelerators (Younger & Fisher, 2020).

2.3.2 ENTREPRENEURIAL FINANCE

Entrepreneurial finance is a second group of studies that has shown an interest in the accelerator. They conceptualize the accelerator as a “financial intermediary” (Ewens, Nanda, & Rhodes-Kropf, 2018), “financial organization” (Yu, 2016) or “small VC-fund” (Bernthal, 2017), as part of the entrepreneurial finance landscape, alongside other sources like VC, corporate venture capital (CVC), angel investment and crowdfunding (Drover et al., 2017).
Assuming that the investment in and valuation of new firms is prone to information asymmetries (Sanders & Boivie, 2004), studies within this research orientation focus on the certification role of accelerators using signaling theory (e.g., Spence, 1973; Connelly, Certo, Ireland, & Reutzel, 2011), which suggests that start-ups affiliate with and convey the endorsements of reliable third parties such as accelerators to reduce their uncertainty in the eyes of investors (Kim & Wagman, 2014; Yu, 2016; Plummer, Allison, & Connelly, 2015). Entrepreneurial finance studies focus on for-profit investment accelerators, exploring questions related to the governance of these accelerators (Kim & Wagman, 2014; Bernthal, 2016, 2017), the investment efficiency of accelerator-investments as opposed to direct investments in new ventures (Yu, 2016), or the reasons for and consequences of the emergence of this new form of entrepreneurial financing (Bruton, Khavul, Siegel, & Wright, 2015; Ewens et al., 2018).

2.3.3 ENTREPRENEURIAL ECOSYSTEMS

The entrepreneurial ecosystems orientation has conceptualized the accelerator as an “innovation intermediary” (Gabrielsson et al., 2018; Clayton et al., 2018) or “institutional intermediary” operating as a “bridge between the start-up and the broader entrepreneurial environmental resources” (Goswami et al., 2018: 117). The studies within this research orientation focus on the macro- and meso-level roles of accelerators, building on the literatures of regional innovation systems (Cooke, Uranga, & Etxebarria, 1997) and entrepreneurial ecosystems (Acs, Autio, & Szerb, 2014). They explore the processes that these intermediaries undertake to link entrepreneurs with entrepreneurial environmental resources (Goswami et al., 2018), the impact that they have on the regional entrepreneurial ecosystems in which they are established (Fehder and Hochberg, 2014; Goswami et al., 2018), and the role of (different types of) accelerators in the venture creation pipeline of the regional entrepreneurial ecosystem (Yang et al., 2018), the entrepreneurship education landscape for students (Wright, Siegel, &
Mustar, 2017), or the network of innovation-supporting intermediaries of a science commercialization ecosystem (Clayton et al., 2018).

2.3.4 CORPORATE INNOVATION AND ENTREPRENEURSHIP

A fourth and last research orientation on the accelerator stems from the literature on corporate innovation and entrepreneurship. The studies in this research orientation have looked at corporate-backed accelerators as “organizational devices”5 (Richter et al., 2018: 69) that act as “interfaces between corporations and startups” (Kohler, 2016: 347) to facilitate “corporate startup engagement” (Weiblen & Chesbrough, 2015: 85). They argue that corporate accelerators are involved in “corporate nurturing”, a form of corporate entrepreneurship that involves business assistance to new ventures (Miles & Covin, 2002; Shankhar & Shepherd, 2018), and have so far looked at the design of corporate accelerator programs (Kohler, 2016; Kanbach & Stubner, 2016; Richter et al., 2018) and how these programs differ from other start-up-engagement activities such as corporate incubation and corporate venturing (Kohler, 2016). Furthermore, corporate innovation and entrepreneurship studies have explored the different models of corporate accelerators (Kanbach & Stubner, 2016; Shankhar & Shepherd, 2018; Prexl, Hubert, Beck, Heiden, & Prügl, 2018) and their success factors and inhibitors for tapping into the start-up world (Jackson & Richter, 2017; Mahmoud-Jouini, Duvert, & Esquirol, 2018).

Overall, this research orientation has focused on the benefits of corporate accelerators for its corporate sponsor(s), building on the literatures on corporate entrepreneurship (Burgelman, 1983), open innovation (Chesbrough, 2003), and business or innovation ecosystems (Moore, 1996; Adner & Kapoor, 2010).

5 We consider the internal corporate accelerator as a type of the organizational form of the accelerator. Much alike “internal corporate incubators” (Gassmann & Becker, 2006) or “micro new ventures departments” (Burgelman, 1983; Burgelman, 1984), they consist of teams of different individuals of various functional groups that interact, make decisions and take actions to nurture new businesses (as an entity) (Burgelman, 1983; Shankhar & Shepherd, 2018).
2.4 SHARED AND DIVERGENT FEATURES OF THE ACCELERATOR

While the four research orientations show similarities regarding their view on the accelerator’s program package and structure, they diverge regarding their perspective on the function and purpose of the accelerator. As existing literature has not considered these similarities and differences, it has arguably limited our holistic understanding of the accelerator. By taking all these studies together, a more cohesive and interpretative view on the accelerator can be seen.

2.4.1 SHARED FEATURES OF THE ACCELERATOR

The four research orientations on the accelerator converge regarding their characterizations of the accelerator’s program package and structure.

Program package: a time-limited, cohort-based mentorship and networking program for entrepreneurs. The four research orientations argue that the accelerator program is typically time-limited and cohort-based, involving mentorship and networking, and offered to entrepreneurs or entrepreneurial teams that will often get selected through an open and competitive application process (Miller and Bound, 2011, Pauwels et al., 2016). The time limited duration of the program – mostly between 3 and 6 months – and the cohort-based intake – referring to the simultaneous admission of a new group of entrepreneurial teams – are often put forward as the most defining features of the accelerator (Cohen, 2013; Bliemel & Flores, 2015). Mentorship – advice and help from (former) entrepreneurs, potential corporate clients or (former) investors – is also considered key to the accelerator program (Bernthal, 2016, 2017).

Optional features of the accelerator program relate to the seed-investment (e.g. Pauwels et al., 2016; Bernthal, 2016; Cohen, 2013; Cohen & Hochberg, 2014; Hochberg, 2015), the availability of office space, and the pitch event upon graduation or “demo day”, where
entrepreneurial teams get the opportunity to pitch their business in front of potential investors and/or customers (Miller & Bound, 2011; Cohen, 2013; Cohen & Hochberg, 2014; Hochberg, 2015). Another optional feature concerns some form of standardization of the program across the different ventures, such as the investment terms (Kim & Wagman, 2014), the screening process (Pauwels et al., 2015) or the learning and interaction activities of the program (Cohen et al., 2018; Bernthal, 2016; Ewens et al., 2018). This standardization has arguably allowed some accelerators to rapidly expand the amount of start-ups they take on board for each cohort (Kohler, 2016) and replicate their model across different sectors and regions (Malek et al., 2014). For example, while Y Combinator’s first batch in the summer of 2005 consisted of 8 start-ups, the accelerator accepted more than 100 participants in its 2016-batch. Similarly, Techstars launched their privately-funded program in Boulder in 2007 and scaled up to 43 (corporate- and privately funded) programs worldwide in 2018 that have guided more than 1500 companies.

**Structure: an organic structure that allows fast decision-making and enables informal interaction.** An organization’s structure is defined as "the sum total of ways in which it divides its labor into distinct tasks and then achieves coordination among them" (Mintzberg, 1979: 2), or a system of practices for organizing activities (Burns & Stalker, 1961). The most prevalent typology for describing the fundamentals and fundamental differences in organizational structure is the organic versus mechanistic organization (Burns & Stalker, 1961; Ambrose & Schminke, 2003). Organic organizations are generally characterized by overlapping responsibilities, flexible and unwritten procedures, distributed or decentralized decision making, and consultative or lateral communication, whereas mechanistic organizations are

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most typically defined in terms of high degrees of specialization and division of labor, fixed and written procedures, and a hierarchical and centralized command structure (Burns & Stalker, 1961; Galbraith, 1977; Hatch, 1997; Donaldson, 2001).

Whereas accelerators display differences in funding (e.g., funded by private, corporate, public or a combination of these sources; through a limited partnership or as part of a permanent organization), and management structures (e.g., investor or sponsor firm taking on the management role or outsourcing management to an accelerator operator), studies across the four research orientations describe the accelerator’s “modus operandi” as largely adhering to the organic type of organization. As such, the different research orientations argue that the accelerator represents the emergence of a lightweight governance model (Weiblen & Chesbrough, 2015; Ewens et al., 2018), involving limited hierarchy and relatively small staffs as the organization’s intensive mentorship demand is often met by a volunteer network of experts (Cohen & Hochberg, 2014; Bernthal, 2016). The accelerator structure allows fast decision making (Weiblen & Chesbrough, 2015; Richter et al., 2018) and enables informal interactions by generating norms of trust, openness and volunteerism (Bernthal, 2016, 2017; Hallen et al., 2016). Even corporate accelerators that act in-between the often mechanistic structures of the corporate parents and organic structures of entrepreneurial actors (Souitaris, Zerbinati, & Liu, 2012), have been argued to be structurally similar to other accelerators with an essential common feature being that they are separated from the established organization (Richter et al., 2018: 76) to “create a protected environment from corporate structures for internal and external entrepreneurs” (Kanbach & Stubner, 2016: 1771).

2.4.2 DIVERGENT FEATURES OF THE ACCELERATOR

While converging on the two above features, the four research orientations on the accelerator also diverge regarding their characterizations of the function of the accelerator and their
purpose. These two divergences contribute to fragmentation among the four research orientations, and, more generally, to a lack of integration in the literature.

Function: open-system intermediation vs. closed-system intermediation. Accelerators are often conceptualized as intermediaries that connect new ventures with external sources of knowledge and resources. In general, the concept of intermediation represents a process of linking two or more individuals or organizations within a specific context through knowledge and information (Howells, 2006) to bring about an activity that may not have been possible by direct trading between the parties (Dutt, Hawn, Vidal, Chatterji, McGahan, & Mitchell, 2016).

In the case of the accelerator, two types of intermediation have been assumed by the different research orientations: open-system intermediation and closed-system intermediation (Dutt et al., 2016; Giudici, Reinmoeller, & Ravasi, 2018). Open-system intermediation brings about activities that seek to create benefits for parties or a common good beyond a well-identified set of participating actors by improving the capabilities of particular organizations through the facilitation of learning and commercialization of their products or services through community engagement (Dutt et al., 2016; Giudici et al., 2018). In contrast, closed-system intermediation concerns activities primarily focused on improving the performance or private gains of a restricted set of (central) actors in a network by coordinating and harnessing dispersed resources and capabilities to contribute to that network or a given collective innovation output (Dhanaraj & Parkhe, 2006; Nambisan & Sawhney, 2011; Dutt et al., 2016; Giudici et al., 2018). While in practice, accelerators may engage in both closed and open-system intermediation to a certain extent\(^8\), the identified research orientations tend to focus on one or the other.

\(^8\) In line with Dutt et al. (2016: 822) and Giudici et al. (2018: 1370) we build on the argument that “openness” may be a matter of degree” but deviate from their categorical distinction regarding whether the role intermediaries play is open at all by highlighting the open vs. closed-system intermediation processes rather than the open- vs. closed-system intermediary.
Two research orientations assume that the accelerator engages mainly in open-system intermediation. Organizational learning and adaptation studies highlight the accelerator’s role of offering access to and facilitating knowledge flows with (mainly external) resource providers (Cohen, 2013; Pauwels et al., 2016; Battistella et al., 2017). Entrepreneurial ecosystems studies argue that the accelerator transforms the beliefs and coordinates the actions of individual actors in the entrepreneurial ecosystem in a way that enhances their overall commitment to the entrepreneurial ecosystem (Leatherbee & Eesley, 2014; Goswami et al., 2018). These research orientations do not mention any tensions or conflicting interests between the participants mutually or the participants and the sponsors or mentors, and departs from the idea that the accelerator’s benefits are accrued to its participants and the broader environment.

In comparison, studies stemming from entrepreneurial finance and corporate innovation and entrepreneurship assume that the accelerator is largely involved in closed-system intermediation. Studies in entrepreneurial finance emphasize the value capture of the accelerator for private investors and assume multiple tensions and conflicting interests within this setting such as the risk of expropriation of the start-ups by mentors or sponsors (Bernthal, 2016, 2017), or the accelerators’ incentives to withhold negative signals about the ventures, thereby misleading future investors (Kim & Wagman, 2012). Likewise, corporate innovation and entrepreneurship studies focus on closed-system intermediation and consider the accelerator as an interface unit that matches and mediates between entrepreneurs and corporations. Studies within this research orientation have paid attention to “coopetition” tensions between the ventures and the corporate sponsors (Jackson & Richter, 2017) and

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9 While the concept of open innovation is often used in the studies within this orientation, the meaning of open innovation as a “use of purposive inflows and outflows of knowledge to accelerate internal innovation and expand the markets for external use of innovation” (Chesbrough, 2006: 1) confirms the prevalent closed-system intermediation perspective on the accelerator in that the flows of knowledge between the corporate and the new ventures are primarily meant to create benefits for the corporate sponsor.
competition battles for the better start-ups and key corporate resources (Mahmoud-Jouini et al., 2018).

**Purpose: venture acceleration vs. system acceleration.** The concept of acceleration, an increase in velocity of an object with respect to time, constitutes an important commonality across the different research orientations. Research on time and organizational development has argued that acceleration of a process is caused by self-reinforcing positive feedback cycles, where changes in one variable lead to changes in another variable which lead back to changes in the first variable (Bluedorn, & Denhardt, 1988; Ancona, Okhuysen, & Perlow, 2001).

In line with existing research on the pacing of events which has said that this can be internal to an organization or pertaining to its environment (Ancona et al., 2001), we distinguish two main types of acceleration that accelerators aim at: venture acceleration\(^\text{10}\) and system acceleration. Life-cycle studies have argued that entrepreneurial ventures go through distinct phases such as conception, development, commercialization, growth, etc. (e.g., Kazanjian, 1988). Venture acceleration or speeding up the events in the evolution of entrepreneurial ventures is considered important in the highly competitive and high-velocity business environments in which many of them compete (Brown & Eisenhardt, 1997). We refer to system acceleration as the pacing of events pertaining to the external environment of the accelerator. This external environment could be the entrepreneurial ecosystem (Acs et al., 2014), innovation system (Cooke et al., 1997), innovation ecosystem (Adner & Kapoor, 2010), or corporate system (Bloodgood, Hornsby, Burkemper, & Sarooghi, 2015). The latter refers to the dynamic and complex system of relationships that exists among a corporation’s internal corporate entrepreneurship activities to stimulate corporate innovation and entrepreneurship.

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\(^{10}\text{Note that venture acceleration also includes the acceleration of “ventures” that have not been incorporated, such as the entrepreneur or entrepreneurial team and their pre-launch resources and conditions.}\)
within the boundaries of the firm (Bloodgood et al., 2015). While, in practice, accelerators may embody both purposes to a certain extent, each research orientation tends to emphasize on either venture or system acceleration.

Two research orientations focus on the venture acceleration purpose of the accelerator. Organizational learning and adaptation studies primarily argue that the accelerator aims to accelerate the development of the capabilities of the entrepreneurial teams (Hallen et al., 2016), or the set of skills and resources needed to start and grow their nascent businesses such as know-how, reputation and social networks (Gonzalez Uribe & Leatherbee, 2017). These studies further argue that the accelerator enables rapid testing and adaptation of venture ideas to become scalable and market-proof or to fail quickly, leading to quicker venture growth or failure (Cohen, 2013; Cohen & Hochberg, 2014; Cohen et al., 2018). Similarly, studies from the entrepreneurial finance orientation have also focused on the accelerator’s purpose of speeding up venture development towards either success or failure. They argue that the accelerator does so by providing investment to new ventures (Yu, 2016), connecting these new ventures to follow-on investors during and after the program (Bruton et al., 2015), and exerting a certification effect by reducing the information asymmetries between the new ventures and follow-on investors (Kim & Wagman, 2012; Plummer et al., 2016).

In contrast, studies stemming from the research orientation of entrepreneurial ecosystems have mostly considered the accelerator’s system acceleration purpose. They argue that the accelerator aims to speed up the commercialization of science at the system level (Clayton et al., 2018), attract VC funding to the local region (Fehder & Hochberg, 2014), grow a regional network of graduates and mentors, and stimulate more entrepreneurship-focused government policies (Goswami et al., 2018). Some of these studies have also linked venture development acceleration to system acceleration by arguing that speeding up the cycle of the venture -
leading to quicker growth or quicker failure\textsuperscript{11} – and creating ecosystem commitment amongst the participating ventures accelerates the development of the ecosystem (Goswami et al., 2018). Studies stemming from the research orientation of corporate innovation and entrepreneurship also focus on the system acceleration purpose of the accelerator to speed up the development of a corporate system or innovation ecosystem. With regards to the (internal) corporate system, this research orientation has considered the accelerator as a mechanism for large corporates to stimulate and potentially insource external innovation (Weiblen & Chesbrough, 2015; Kanbach & Stubner, 2016; Shankhar & Shepherd, 2018), rejuvenate corporate culture (Kohler, 2016; Kanbach & Stubner, 2016) or find next generation products or threads to existing products (Kanbach & Stubner, 2016; Richter et al., 2018). Accelerating development of the (external) innovation ecosystem is reached through facilitating partnerships or (complementary) innovation around the corporation’s existing business (Weiblen & Chesbrough, 2015; Sivonen et al., 2015; Kanbach & Stubner, 2016; Shankhar & Shepherd, 2018).

2.5 A TYPOLOGY OF ACCELERATOR CONCEPTUALIZATIONS

As captured in figure 2.1, all four research orientations share similar views on the accelerator’s features of program package and structure but are distinguished by their divergent views on the accelerator’s function and purpose. Below, we present a novel typology which emerged from the juxtapositions of the research orientations’ divergent views on the accelerator.

\textsuperscript{11} In the case of quicker failure, the ecosystem will benefit if those entrepreneurs move on to higher-value opportunities.
2.5.1 THE ACCELERATOR AS AN ORGANIZATIONAL SPONSOR

Studies within this view acknowledge that accelerators link the new ventures to the environmental context or ecosystem, but focus on whether and how the accelerator impacts the trajectories of the new ventures through an intermediation that is in the interest of the new ventures and the broader entrepreneurial community. Exemplary for this view, studies have likened the accelerator to an organizational sponsor which attempts to foster entrepreneurship and encourage the growth of new ventures “by creating a resource-munificent context intended to increase survival rates among those organizations” (Amezcua, Grimes, Bradley, &
2.5.2 THE ACCELERATOR AS A FINANCIAL INTERMEDIARY

A second view regards the accelerator as a financial intermediary that connects surplus and deficit agents by transferring funds from one economic agent to another by means of the issuance of a financial security (Pilbeam, 2005). Studies within entrepreneurial finance have focused on venture acceleration through directive intermediation that is primarily in the interest of the sponsors (i.e., angel investors and institutional investors). Similar to financial intermediaries such as banks, mutual funds and VCs (Gompers & Lerner, 2004), the accelerator shares investments’ fixed costs (e.g., evaluation, monitoring, and guidance of the new ventures), mitigates asymmetric information by getting and signaling specialized knowledge (e.g., about the new ventures’ technologies) and reconciles the often conflicting needs of the surplus and deficit agents (e.g., avoiding misappropriation of knowledge).

2.5.3 THE ACCELERATOR AS AN ECOSYSTEM INTERMEDIARY

Studies within the research orientation of entrepreneurial ecosystems regard the accelerator as an ecosystem intermediary, which performs system acceleration through prosocial intermediation, i.e. in the interest of the ventures and the broader entrepreneurial community. The notion of the accelerator as an ecosystem intermediary can be further conceptualized as an institutional intermediary that links different parties to create, develop, change or substitute for institutions (Mair, Marti, & Ventresca, 2012; Dutt et al., 2016; Eberhardt & Eesley, 2018), or as an innovation intermediary that supports the collaboration between two or more parties during the innovation process ranging from linking parties for collaboration to mediating relationships and bridging knowledge, competency and capability gaps (Bessant & Rush, 1995; Howells, 2006; Klerkx & Leeuwis 2008).
2.5.4 THE ACCELERATOR AS A START-UP ENGAGEMENT VEHICLE

The research orientation of corporate innovation and entrepreneurship considers the accelerator as a start-up engagement vehicle and focuses on the accelerator’s purpose to accelerate an internal corporate system or external innovation ecosystem through closed-system intermediation which is largely directive and in the interest of one or more of its corporate sponsors. The accelerator as a (corporate) start-up engagement vehicle considers the accelerator’s activities as a type of corporate nurturing to speed up innovation to the benefit of the corporate system or innovation ecosystem (Shankar & Shepherd, 2018). The accelerator is then part of externally oriented corporate entrepreneurship vehicles, like CVCs (Narayanan, Yang, & Zahra, 2009; Phan, Wright, Ucbasaran, & Tan, 2009), or some corporate incubators (Gassmann & Becker, 2006). Similar to these corporate entrepreneurship vehicles, the accelerator as a start-up engagement vehicle can be operated within the firm, structured through a wholly or partially owned subsidiary or serviced through an accelerator service provider (Prexl et al., 2018).

2.6 FUTURE RESEARCH

Based on a sample of 47 research studies on the accelerator, this paper has synthesized the existing literature, organized the different research orientations into an integrative typological framework, and linked each typology to higher-level concepts like organizational sponsors, financial intermediaries, institutional or innovation intermediaries and start-up engagement vehicles. For future research, we present a research agenda that cuts across the different research orientations and focuses on the theoretical debates that research on accelerators could contribute to. First, we will discuss some promising avenues for research that bridges the divergent perspectives on the accelerator. Second, we will present three theories that research on the accelerator across the different research orientations could speak to.
2.6.1 BUILDING BRIDGES BETWEEN THE DIVERGENT FEATURES OF THE ACCELERATOR

**Linking open and closed-system intermediation.** While current research on the accelerator has largely assumed that the accelerator is involved in open-system intermediation in the interest of the start-ups and the broader community or closed-system intermediation in the interest of the investors or the corporate sponsors, in practice, both open-system and closed-system intermediation will often co-occur or be expected from the accelerator (Dutt et al., 2016). So far, it remains unclear how the accelerator can cope with or leverage the conflicts stemming from the (expected) co-occurrence of these two forms of intermediation and combine or portray to combine both. Future research could explore how such *hybrid-system intermediaries* deal with these differing stakeholder expectations (O’Mahony & Bechky, 2008), and respond to the apparent paradox through (a combination of) acceptance, synthesis, spatial and temporal separation (Poole & Van de Ven, 1989; Smith & Lewis, 2011).

**Linking venture and system acceleration.** Research on the accelerator tends to focus on venture acceleration or system acceleration and foregoes on the fact that, in many cases, the pace of the venture and the system must be aligned through (mutual) adjustment (Pérez-Nordtvedt, Payne, Short, & Kedia, 2008). This adds new dynamics to the acceleration process. In aligning the ventures with the system, “*entrainment*” or “*adjusting the pace or cycle of one activity to synchronize with that of another*” (Ancona, Goodman, Lawrence, & Tushman, 2001: 656), is going to be essential. Future research could identify and explore the processes and different types of entrainment in the accelerator context. For example, we believe that entrainment will be particularly important between the ventures and the platform ecosystem in the case of a platform accelerator or between the ventures and the corporate system in the case of a corporate accelerator. Furthermore, insights beyond our current understanding of the acceleration of either the venture or the system could add to the debates on acceleration in

2.6.2 IMPROVING THEORY BUILDING USING THE ACCELERATOR

Four orientations appear to have dominated prior research on the accelerator: organizational learning and adaptation, entrepreneurial finance, entrepreneurial ecosystems and corporate innovation and entrepreneurship. Although some of the studies within these research orientations have drawn from established theories, the majority has remained descriptive and does not sufficiently connect to mainstream theoretical streams in strategy, entrepreneurship and management in ways that can enrich our understanding of the accelerator, as well as contribute to the development of these theories. To help remedy these shortcomings, we discuss three theories that organizational research on accelerators could speak to. We chose these theories because of their conceptual closeness to key accelerator research issues. The suggested theories are by no means exhaustive. Rather, they illustrate the rich variety of promising issues to be explored in future research.

**Governance theory.** Governance theory is about the practice of creating the conditions and rules for collective decision making (Stoker, 1998), and is of relevance in organizations where conflict of interests are present that cannot be dealt with through a contract (Hart, 1995). The accelerator is a lightweight organizational model and will orchestrate different external stakeholders in its intermediation efforts, such as mentors, follow-on investors, service-providers, etc. These stakeholder groups may each have differing objectives which will lead to interest conflicts. Given the number of investments, the accelerator could provide an interesting setting to explore whether and how financial intermediaries exert more (or less) control rights over the development of accepted teams when differences in opinions and interests occur. For instance, while extant studies have recognized that accepted entrepreneurs may learn from their cohort members partly because of similarities in resources or knowledge (Cohen *et al.*, 2018),
this also involves a risk of leaking information to potential competitive firms. Accelerator’s large portfolio of entrepreneurial firms may increase this risk due to “competitive information leakage” via the investor, likely inhibiting innovation (Pahnke et al., 2015). It is of great value to examine whether such information leakage occurs in accelerators and how the positive and negative effects of information disclosure can be managed.

**Institutional theory.** Research on the accelerator could benefit from the institutional theory. Institutions consist of formal rules (statute law, common law, regulations) and informal constraints (conventions, norms of behavior, and self-imposed codes of conduct) that structure human interaction (North, 1990). While the institutional role of accelerators in overcoming institutional voids has received some attention (Leatherbee & Eesley, 2014; Goswami et al., 2017), research on the accelerator could contribute more directly to current debates within institutional theory, and more specifically, to institutional theory’s “central construct” (Wooten & Hoffman, 2008) of the institutional field or the set of organizations that interacts together “frequently and fatefully” (Scott, 1995: 207-208). Accelerators that operate within institutional fields that are formed around an issue such as an industry transition, societal challenge, or novel economic opportunity, will often involve and intermediate between a diverse set of actors with distinct and sometimes conflicting identities, goals, norms, and practices (Zietsma et al., 2017). Future research on the accelerator using institutional theory could look at how accelerators that operate within an issue field effectively mobilize the different actors and mediate between / align their practices and interests to initiate or change institutional fields. Which tensions do the different involved parties perceive (e.g. venture vs. system acceleration, open vs. closed-system intermediation) and how does the accelerator as an intermediary cope with these tensions and enable collaboration between the actors (O’Mahony & Bechky, 2008)?
**Organization design theory.** At last, research on the accelerator could benefit from organization design theory. Organization design theory has developed around the division of labor within and in-between organizations for a certain task, often an innovation effort, and the coordination of those parts into a meaningful whole (Sanchez & Mahoney, 1996). Using the context of corporate accelerators, theory on organization design could help to understand whether corporate accelerator vehicles are substitutive or complementary to other internal or external corporate entrepreneurship initiatives (e.g., CVC) in the search for innovation, when and how “outsourcing” innovation to external corporate accelerators contributes to organizational success and how the corporate accelerator operating as a boundary-spanner between the firm and its ecosystem enables innovation at both sides. Furthermore, research could look at established independent accelerators and explore the organizational capabilities required for their successful operation and how performance gets impacted by different organizational approaches, linking theories on organizational learning to the design of the accelerator organization and program (see Cohen et al., 2018).

### 2.7 DISCUSSION AND CONCLUSION

The accelerator has become a phenomenon of importance for management. The body of research around accelerators is relevant and timely, and its insights are having an impact on managerial practice. Despite the increasing use of the label, the accelerator has so far been poorly conceptualized due to the disproportionate focus on the empirical indicators such as the program package, and the context specificity and idiosyncrasy in the implications of existing research. This has arguably limited the coherence, cumulativeness and transferability of results drawn from this research. Responding to this challenge, this paper presented a systematic examination of existing research on the accelerator and suggested several contributions for both theory and practice.
We categorized and summarized the literature, thereby making it more accessible for academics and practitioners alike. Rather than focusing on the variants of the term and the different models based on their (diverse) services and other empirical indicators which extant literature has looked at (Pauwels et al., 2017; Malek et al., 2014), we classified the literature into four research orientations based on the theoretical contexts in which the term and variants are used: organizational learning and adaptation, entrepreneurial finance, entrepreneurial ecosystems, and corporate innovation and entrepreneurship. As part of the stream identification, we have explored the main roles that were attributed to the accelerator, the concepts that the accelerator is compared against and the key theories and literatures that were built on. The resulting summary revealed the foci and underlying assumptions within each stream and formed the basis of our synthesis.

Our synthesis expanded the current narrow conceptualization of the accelerator beyond its program package to include structure, function and purpose, thereby broadened our understanding of the accelerator and uncovering the (often implicit) similarities and differences in the use of the concept. We found that the accelerator concept across extant research showed similarities regarding its program package and structure and differences regarding its function and purpose. With regards to the latter, we argued that the identified research orientations regard the accelerator’s function as either open-system or closed-system intermediation and its main purpose to revolve around either venture or system acceleration.

This review contributes to a novel and holistic framework for the study of accelerators (see figure 2.1). The framework serves as a basis for investigating both the organizational and network-level processes and effects of accelerators and for capturing the multiple dimensions of intermediation. The resulting integrative typology demonstrated that there are four ideal-typical views on the accelerator which we have named based on the transferability of findings
to (1) organizational sponsors, (2) financial intermediaries, (3) ecosystem intermediaries and (4) start-up engagement vehicles. Hence, the typology regulates the applicability of studies’ findings in different theoretical and empirical contexts.

Overall, we advance our understanding of the accelerator concept. Organizational scholars have called for research on “organizational forms not yet understood” (Greenwood & Miller, 2010: 81) and explanations of specific mid-range forms (Greenwood, Hinings, & Whetten, 2014; Miller, Greenwood, & Prakash, 2009), rather than the more abstract organizational forms (e.g., the multidivisional structure or M-form) that have been subject of study in a time characterized by less organizational diversity (Greenwood & Miller, 2010). This study focused on the accelerator as a multi-faceted and distinct organizational form and provided a common vocabulary for a scholarly community that can guide theoretical propositions and frameworks, and the selection of empirical units for investigation (Goertz, 2006).

Future research that bridges the divergent perspectives of the research orientations and more strongly connects research on accelerators to established theories could further contribute to our understanding of the accelerator and to the development of these theories. As most accelerators combine both open-system and closed-system intermediation as well as both venture and system acceleration, we call for studies on the tensions and coping mechanisms of such hybrid-system intermediaries and the entrainment challenges and practices of combining both types of acceleration. Furthermore, we suggest that research on the phenomenon of the accelerator could draw from and contribute to the established theories of governance theory, institutional theory and organization design theory.

This study has several limitations. Due to the scope and scale of the literature covered in this paper, it has not been possible to do full justice to the subtleties and detailed findings of each research orientation. As such, we have focused on the features of the accelerator while not on
how these organizational features could be executed best. A further limitation is that this review has focused on the concept of the accelerator from an organizational perspective. In developing our analysis of the organizational features of the accelerator and boundaries of the concept, we are aware that multiple levels of analysis come into play. Although we have alluded to system-level or individual-level analysis, we do not explore the theory and practice of the accelerator at a macro-level or micro-level. We believe further research and analytic work through these perspectives may be fruitful. However, as outlined in the introduction, the purpose of this review was to shed clarity around the organizational form of the accelerator and the different literature streams that ensue around it.
Switching Partners while Keeping the Dance Going: How an Estranged Hybrid can Navigate a Change in its Instantiation of Logics

Abstract: In this study, we explore how an estranged hybrid that instantiates one dominant logic and one or more minority logics in its organizational functioning, changes the relative dominance of each logic in response to pressure from external actors. To do so, we draw on a longitudinal single case study of AppCampus, a hybrid accelerator spanning the university, corporate, and professional software development logics. We focus on the periodic actions and interactions of the organizational members of the unit with the constituencies that it is spanning and show that logic change at an estranged hybrid follows a process of: (1) renegotiating hybrid goals, (2) acquiring target logic, (3) acculturating into target logic and (4) embedding new instantiation of logics. We further illuminate the different reactions of organizational members when a new dominant logic emerges and the importance of framing the change as an opportunity. Our work is novel in exploring logic instability in estranged hybrids as opposed to the more frequently studied contested hybrids and showing the processes that lead this understudied type of hybrid to reach stability again.
3.1 INTRODUCTION

Changes in the relative dominance of the different logics that are combined at hybrid organizational forms have often been approached by existing literature as something undesirable, using notions such as “mission drift” (Ebrahim, Battilana, & Mair, 2014), and focusing on the factors that may prevent such a change in the instantiation of logics in hybrid organizations (Battilana & Dorado, 2010; Smith & Besharov, 2019). While identifying the processes that maintain equal centrality of different logics is useful for contested or blended hybrids that aim to instantiate two or more logics at the core of their organizational functioning (Besharov & Smith, 2014), some hybrids may want or have to shift the logic to which their organization adheres in response to changes in the institutional environment (Durand & Jourdan, 2012). So far, little attention has been paid to the organizational implications of such desirable or necessary changes.

Changes in the relative dominance of different incompatible logics is particularly relevant for estranged hybrids, which engage with two or more logics that offer inconsistent implications for organizational action, but resort to one primary influence for organizational functioning, manifested in core features that are central to organizational functioning (Besharov & Smith, 2014). Prominent examples of estranged hybrids include corporate venturing units that instantiate the corporate logic of their parent firm with the start-up logic of the new ventures they engage with and typically align with one or the other (Souitaris, Zerbinati, & Liu, 2012), technology transfer offices that operate in-between the academic host and the corporate client and predominantly draw from the academic logic (Perkmann, McKelvey, & Phillips, 2019), and cross-sector partnerships that predominantly align with the logic of the dominant resource provider (Ashraf, Ahmadsimab, & Pinkse, 2017).

External tensions may drive an estranged hybrid to change the relative influence of different logics on organizational functioning. Examples from extant research include that estranged

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hybrids may change their instantiation of logics to leverage a different group of resource providers (Durand & Jourdan, 2012) or to maintain legitimacy in the face of changing pressures from different environments (Pant & Ramachandran, 2017). Furthermore, an estranged hybrid may also be pressured to change its instantiation of logics through coercive pressures such as by demand of their host organization or main resource provider (Souitaris & Zerbinati, 2014). However, these accounts of the occurrence of such changes have not been followed up by an exploration of the process as to how estranged hybrids may change the – from their perspective – dominant and minority logics over time.

During such logic change, logics that were previously peripheral may be amplified and move center stage (Durand & Jourdan, 2012; Battilana, Sengul, Pache, & Model, 2015), thereby challenging the logic that has been historically dominant in the organization’s functioning (Besharov & Smith, 2014). This altered equilibrium between competing logics may exacerbate tensions because it implies a re-evaluation of organizational objectives and means, and how to define and achieve them (Townley, 2002; Almandoz, 2012). Hence, an estranged hybrid dealing with institutional complexity during such periods of instability has to manage both the change in processes and mechanisms it performs as well as the exacerbated tensions caused by the altered equilibrium between the logics that it recombines.

Prior research on estranged hybrids is sparse. Research on hybrid organizing has focused on contested hybrids, while our extant knowledge on estranged hybrids is mostly theoretical (e.g., Kraatz & Block 2008, Greenwood et al. 2011). The few empirical studies that have looked at this type of hybrid organizing have explored the functioning of estranged hybrids during periods of stability, i.e., when the relative dominance of each logic remains unchanged (e.g., Perkmann et al., 2019), rather than on how these organizational forms deal with the “potential instability” of their instantiation of logics (Besharov & Smith, 2014: 373).
In this paper, we aim to extend institutional theory and theories of hybrid organizing by addressing the following research question: *How can an estranged hybrid manage a change in its instantiation of dominant and minority logics?* To address this question, we conducted an inductive study of a hybrid accelerator operating in-between the corporate, university, and software developer worlds that went from predominantly aligning with the professional logic of software developers, to predominantly aligning with the corporate logic of its corporate sponsors. Drawing on extensive primary and secondary data collected from the different parties involved with the accelerator over its three-year existence, we focus on the internal agents and adopt an institutional theory perspective to unravel the change process (Glaser & Strauss, 1967; Strauss & Corbin, 1990).

Our study contributes to the literature on hybrid organizing by illuminating that logic change at an estranged hybrid follows a process of (1) renegotiating hybrid goals to accommodate target logic, (2) acquiring structural elements of target logic, (3) acculturating into target logic, and (4) embedding new logic instantiation. First, renegotiating hybrid goals in-between the representatives of the different constituencies is needed to accommodate the actors from the target logic while maintaining commitments from the other constituencies. Second, the estranged hybrid needs to acquire a deep understanding of the structural practices of the new target logics and will use relational spaces to gain such knowledge. Third, the estranged hybrid will be acculturated into the target logic, thereby moving its former dominant logic from the center to the periphery. Fourth, the estranged hybrid will re-embed the new instantiation of logics. We show the different stages of a logic change at an estranged hybrid and demonstrate that, in contrast to changes in logics at the organizational field that typically happen gradually over multiple years (Reay et al., 2017; York et al., 2016), the change in logics at an estranged hybrid is more abrupt, and – in our case – took place in a period of multiple months.
Further, we develop better understanding of how individuals inside organizations react to changing institutional logics. We find that, when individuals in estranged hybrids see the change in logic instantiation as an opportunity to leverage a different logic rather than as the result of a coercive pressure, they will accommodate the change in dominant logic. In contrast, if they perceive the change in dominant logic as a coercive pressure over which they have no control, they will resist or ignore the change.

3.2 THEORY

In organizational theory, institutional logics encompass a set of assumptions and values embedded in organizational members’ cognition and preferences about what is perceived as meaningful and appropriate in a setting (Thornton, Ocasio, & Lounsbury, 2015). The configuration of attributes within a certain institutional logic characterize a particular class of organizations and their actions (Glynn & Lounsbury, 2005), which further influences how members of organizations interpret and act in their relationships with others (Thornton et al., 2015). Scholarly studies have identified differences in the institutional logics that organizational classes and their members adhere to, such as in-between start-ups and corporations (Souitaris et al., 2012), independent software developers and corporate platform owners (Qiu, Gopal, & Hann, 2017), or universities and corporations (Perkmann et al., 2019).

Many organizational forms face multiple logics that may be mutually compatible or incompatible (Friedland & Alford, 1991; Kraatz & Block, 2008). As hybrid organizational forms that instantiate multiple compatible logics encounter minimal to no conflicts that stem from logic multiplicity, research on organizational hybridity has focused on hybrids that combine multiple incompatible logics. Hybrid organizations that are exposed to multiple incompatible logics inevitably face challenges and tensions in their organizational functioning, stemming from the competing demands and prescriptions from the multiple institutional logics that they are spanning (Greenwood et al., 2011).
Besharov and Smith (2014) have delineated two types of hybrids that are confronted with multiple (seemingly) incompatible logics, i.e. a contested and an estranged hybrid. A contested hybrid concerns the type of hybrid organizational form where multiple incompatible logics are instantiated in core organizational features that are central to organizational functioning. A prominent example of a contested hybrid includes a social enterprise, which combines elements of social welfare, development, or sustainability logics typically associated with not-for-profit organizations with elements of market logics typically adhered to by for-profit firms (Battilana & Lee, 2014; Pache & Santos, 2013b).

An estranged hybrid refers to those hybrid organizational forms where one central logic exerts primary influence over organizational functioning. As opposed to contested hybrids, estranged hybrids instantiate multiple incompatible logics in an unbalanced or estranged way, i.e. where one central logic exerts primary influence over organizational functioning (Battilana & Lee, 2014; Besharov & Smith, 2014; Meyer & Rowan, 1977). Estranged hybrids tend to resort to one dominant logic that is manifested in features that are central to organizational functioning, while showing appropriateness to one or more minority logics (Kraatz & Block, 2008; Perkmann et al., 2019). In these cases, we refer to dominant logics as those logics that dominate organizational behavior from the viewpoint of the focal organization, unit, or person, while minority logics will have an ancillary effect on organizational functioning (Perkmann et al., 2019). A prominent example of an estranged hybrid includes a cross-sector partnership that predominantly aligns with the logic of the dominant resource provider (Ashraf, Ahmadsimab, & Pinkse, 2017).

Over time, a hybrid’s instantiation of logics may change. Typically, such changes will trigger intense conflict and instability within the organization or organizational unit (Besharov & Smith, 2014; D'Aunno, Sutton, & Price, 1991; Greenwood et al., 2011; Kraatz & Block, 2008; Pache & Santos, 2010; Raaijmakers et al., 2015; Reay & Hinings, 2009; Thornton, 2002).
While some studies have looked at how contested hybrids deal with logic changes and the related tensions, we do not know how estranged hybrids can deal with a change in logics. Studies on organizational hybridity have looked at how contested hybrids react to either increasing institutional pressures or resource incentives to engage with another logic (Kodeih & Greenwood, 2014; Raaijmakers et al., 2015), or how such contested hybrids can avoid becoming increasingly dominated by one logic over time (Battilana & Dorado, 2010). One of the most notable examples of logic change at contested hybrids is “mission drift” or the gradual domination of the market logic over the welfare logic has often been observed at social enterprises (Ebrahim, Battilana, & Mair, 2014). Some studies have also noted that estranged hybrids can be subject to changes in their dominant logic (e.g., Souitaris & Zerbinati, 2014). For instance, a cross-sector partnership may shift or have to shift its dominant logic when the dominant resource provider changes or when aligning with a smaller resource provider could allow it more autonomy (Durand & Jourdan, 2012).

However, these accounts of the occurrence of such changes have not been followed up by an exploration of the process as to how estranged organizational forms may change their instantiation of logics over time. In particular, it remains unclear how a change in the dominant logic at an estranged hybrid can be managed. In what follows, we will address this question by means of a single case study analysis of a hybrid accelerator that operated in-between corporate, software developer, and university worlds and managed such a change.

3.3 METHODOLOGY

We draw on a longitudinal single case study analysis of AppCampus, a university-hosted, hybrid accelerator (Cohen, Fehder, Hochberg, & Murray, 2019). A single case study gives the researchers the opportunity to understand the phenomenon of interest in depth (Siggelkow, 2007). During our involvement with the case, the dominant logic of AppCampus changed, i.e., AppCampus moved from adhering predominantly to a professional software development logic
to a corporate logic. AppCampus is a revelatory case (Yin, 2017) to analyse how an estranged hybrid managed a change in logics over time. We followed Pettigrew (1990: 265) in conducting “longitudinal field research on change”, allowing the process of change to reveal itself in both a temporal and contextual manner.

3.3.1 RESEARCH SETTING: APPCAMPUS

AppCampus was an accelerator that offered small grants, business and technical support to start-ups to develop innovative Windows Phone mobile applications (apps) in return for temporary exclusivity to the platform. The AppCampus unit was set up in March 2012 and ran until May 2015. It was made possible by a partnership between Microsoft and Nokia – which committed €9 million each to cover “grants” – and Aalto University – which committed €3 million to host the unit and cover its operational expenses. To manage the outreach, selection, training, quality review and app release activities, the AppCampus unit included up to fourteen full-time employees. Consisting of two representatives from Microsoft, two from Nokia, one from Aalto University, and one independent entrepreneur, AppCampus also had its own steering board which would decide on strategic decisions regarding funding criteria, funding conditions, reporting requirements, and investments. Over its three years existence, AppCampus funded the development and release of 315 apps during its three-year lifespan, selected from a pool of more than 4,300 applications from over 100 countries.

AppCampus is a hybrid organizational form spanning three distinct institutional logics: the university logic, the professional logic, and the corporate logic. As it was set up to engage with these three different logics, AppCampus displayed logic multiplicity within its organization.

First, it needed to display appropriateness towards actors embedded in a belief system that we call “university logic”. Since the adoption of the Bayh-Dole Act in the US in 1980 and the embracement of economic development as the third mission of universities, besides research and teaching (Grimaldi, Kenney, Siegel, & Wright, 2011), universities and other (semi-) public
institutions have been exploring new forms of entrepreneurial activities to develop a particular region or sector. Accelerators, incubators, hackathons, and entrepreneurial societies are some of the initiatives that universities engage in to fulfil that mission. Like AppCampus, they are typically structured under the umbrella of the technology transfer office. They interact with other university and public development services (state representatives, innovation agencies, cities, and regional governments) to receive the right to operate, recruit beneficiaries, and mobilize additional financial resources to fund their development mission. They also depend upon a web of individuals and organizations who often give non-remunerated time and advice because of their adhesion to the mission of these units.

Second, given the large sums of grant money that Nokia and Microsoft had contributed and their involvement in the unit, AppCampus also needed to display appropriateness with the actors embedded in the “corporate logic”. These actors, although sometimes sympathetic with Aalto University’s university logic, turned to Aalto University’s reputation in this area with the hopes of having exclusive rights to world class apps. The endorsement of these grantors was important to secure the longevity of the unit. The commercial partners of and units within these corporations, who would provide AppCampus with key resources (such as access to marketing channels and distribution networks) were also key actors to satisfy.

Third, AppCampus also spanned the professional world of software developers. Previous literature has shown that software developers often have a strong “professional logic” with norms and viewpoints that differ from the corporate logic (Qiu et al., 2017). Software developers typically have their own professional associations and institutions. In order to be successful, both in the eyes of the corporate sponsors as well as Aalto University, AppCampus

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12 Aalto University is the alma mater of the developer of Angry Birds, and supported a student-led Entrepreneurship Society in creating both Scandinavia’s first accelerator – Startup Sauna – and northern Europe’s biggest start-up event – Slush.
had to attract and mobilize many of these software developers by displaying appropriateness to their professional logic.

There are three reasons why we believe the phenomenon under investigation – change of logic multiplicity at an estranged hybrid – was ‘transparently observable’ at AppCampus (Eisenhardt, 1989; Pettigrew, 1990). First, AppCampus was an estranged hybrid that would strongly align with one logic to minimize internal conflict and optimally leverage one constituency. As such, in the first 16 months of its existence, AppCampus strongly aligned with the professional software development logic, and we did not find any evidence of internal conflicts. Similarly, we found a similar stable period in the last 12 months of its existence, during which it strongly aligned with the corporate logic.

Second, AppCampus is a ‘polar type’ (Pettigrew, 1990), in the sense that the change in the instantiation of logics was very apparent to both the researchers and the research participants involved. In-between these two periods of stability, AppCampus’ went through a stark change in its instantiation of logics. As one of the interviewees mentioned towards the end of the data gathering:

“I think the main story [of AppCampus] was this shift in culture, from a more start-up kind of ... messy but very friendly and very open [culture] to a kind of ... more kind of corporate, behind the wall, kind of... [culture].” (Interview, Chris, head of operations at AppCampus, Sep. 2014)

Third, the university-hosted hybrid accelerator is a novel kind of organizational form which meant that AppCampus did not have established examples to draw from. This led the

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13 Extant research studies show that technology transfer offices typically adhere to a dominant academic logic (Perkmann et al., 2019) and many faculties at higher education schools tolerate that their athletic departments embrace a market logic rather than an academic logic (Kraatz & Block, 2008), but such ‘archetypal forms’ (Greenwood & Hinings, 1993) for university-hosted hybrid accelerators were not established at the time of our involvement.
interviewees to openly and repeatedly question and discuss the structure and practices of the unit. One of the Microsoft representatives on the board acknowledged this:

“Since there hasn’t been any program quite like AppCampus before, we didn’t really know when we started what [AppCampus] would turn out to be, what kind of animal it would be.” (Interview Mika, Microsoft board member at AppCampus, Sep. 2013)

3.3.2 DATA COLLECTION

We used several data gathering techniques appropriate for a single case study research design: semi-structured one-on-one interviews, observational notes, and archival data collection. An overview of data sources and how they have been used in the data analysis can be found in Table 3.1.

**Table 3.1. Data inventory**

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*Single spaced

**Semi-structured interviews**

Our primary data collection spanned two and a half years and comprised 122 semi-structured interviews, collected in quarterly waves over a two and a half year period. Two members of the author team conducted 122 formal interviews with key informants including the directors, functional specialists and support staff of AppCampus (13 informants, 55 interviews), app developers funded by AppCampus (45 informants, 47 interviews) and key people at Nokia, Microsoft and Aalto University (six informants, 20 interviews). Each interview lasted between 30 minutes and one hour, and was tape recorded and transcribed. We
started our interviews eight months after the AppCampus unit had been formally created. We initially employed purposeful sampling (Patton, 1990) to get information-rich interviewees from which we could learn a great deal about the formation of the program. When the research focus was set around the actions and interactions of the organizational unit with its main constituencies during a change in the instantiation of logics, we moved to theoretical sampling, where data collection was guided by emerging theoretical findings, and sampling targeted towards informants most knowledgeable about the relevant processes (Glaser & Strauss, 1967).

**Field notes from observations and informal conversations**

Two members of the author team had many informal conversations with those involved or participating in AppCampus. These ranged from brief exchanges to long talks over lunch with about every employee of AppCampus. They also observed three ‘AppCademy’ events, where a selection of the funded teams came to Finland to undertake an intensive training camp including hands-on training and one-on-one coaching from experienced investors and entrepreneurs. Furthermore, the authors attended several key meetings around the strategy, planning, and operational working of AppCampus, and three open days and celebrations, such as their first “birthday” where AppCampus was presented to a wide variety of external guests. One of the authors kept a diary of events in which details of informal conversations with organizational members, thoughts about the operations of the organization, and other general observations were recorded and subsequently shared with the whole author team.

**Archival data**

We supplemented the primary data listed above with archival material from both online and physical sources, which provided both current and historical facts, including strategy and review documents, memos, and operational reports. Some of this information was publicly available, while key emails, internal reports and communications were provided to us by the directors of AppCampus.
3.3.3 DATA ANALYSIS

The data analysis followed a grounded theory staged approach (Gioia, Corley, & Hamilton, 2013; Strauss & Corbin, 1990). We analyzed the interview and observational data in parallel with the archival data. We compiled the raw data (interview transcripts, observational notes) and entered it into NVivo (qualitative software). We then engaged in open coding that drew our attention to changes in AppCampus’ way of working and the meanings that employees attributed to their work. We compared these initial analyses with archival texts (newsletters and articles related to AppCampus from different sources such as Aalto University and its Entrepreneurial Society, Nokia and Microsoft, and developers’ professional associations), and refined the coding schemes over time as we identified patterns. In developing these categories we read and re-read the transcripts and archival documents iteratively with the extant literature on institutional logics, engaging in a constant comparison (Glaser & Strauss, 1967). Three steps informed our findings.

We first identified the different institutional logics and their different viewpoints with regards to start-up acceleration. As we clustered our themes, we observed a recurrence of discussions about the three worlds in which AppCampus operated and its associated tensions.

> It’s very clear that both, let’s say the corporate enterprises, the big companies and also the public sector, universities and so on, they... both parties actually have their own hang ups and ways of looking at things which are not necessarily like in [the developer] world. (Interview, Tapio, head of Aalto Center for Entrepreneurship, Sep. 2014)

Each of these worlds carried a different set of expectations regarding the goals of AppCampus, how control should be legitimately exerted in the unit, and what the sources of professional legitimacy are in organizational contexts. Table 3.2 shows our framework with the key aspects of each logic, drawn from our data and corroborated with previous literature (Battilana & Dorado, 2010; Qiu et al., 2017; Reay et al., 2017; Thornton et al., 2015).

Universities across the world have embraced their “third mission” to play a leading role in economic growth and regional development, often through interdisciplinary collaborations
The president of Aalto University repeated at the launch event of AppCampus that “an essential part of Aalto University's mission [is] to strengthen Finland's competitiveness” (archival data, Tuula Teeri, President of Aalto University, 26/03/2012). Authority and control stem from bureaucratic procedures, and people derive norms from national culture. Ultimately, alleviating unemployment and stimulating economic activity are the focus of such a “university logic”.

Corporations are increasingly setting up or collaborating with accelerators to enable collaborations with start-ups (Cohen et al., 2019) to advance company objectives by nurturing innovations and ecosystems (Shankar & Shepherd, 2019). Microsoft and Nokia considered AppCampus as an opportunity to “enable new and existing developers to create next-generation mobile apps” (archival data, Kai Oistamo, executive vice president of Nokia Corp, Mar. 2012) or “world-class mobile products” for Windows Phone (archival data, Klaus Holse, president Microsoft Western Europe, Mar. 2012) “to deliver an ecosystem with unrivalled global reach and scale” (archival data, Stephen Elop, CEO Nokia, Feb. 2011). Following a corporate logic, authority and control will stem from the top management of the corporation and is then dispersed through the corporate hierarchy. Identity under a corporate logic is associated with bureaucratic roles, norms are embedded in corporate culture, and attention is directed towards measures like time-to-market and profitability.

Software developers typically operate according to a strong professional logic (Qiu et al., 2017). They garner legitimacy from their reputation within the community, and value autonomy and creative freedom. The main sources of authority are professional associations, such as developer networks and online communities. Software developers typically have a strong sense of “hacker” identity such as enjoying the challenge of innovative programming work, mistrusting authority and business objectives, and believing in meritocracy (Lakhani,
2005; Shah, 2006). The above attributes, combined, form the critical elements of the ideal type of professional logic for the field of software development.

Second, we evaluated closeness to each of the relevant logics (university, corporate and professional) guiding organizational functioning of AppCampus, a recognized way to qualitatively capture institutional logics, called “pattern matching” (Reay & Jones, 2016). This evaluation revealed further differences between the initial instantiation of logics at AppCampus (dominant professional logic; corporate and university logics as minority logics) and its instantiation at a later stage (dominant corporate logic; professional and university logics as minority logics). Table 3.3. reveals these differences.

Third, we focused on the processes that triggered but also made AppCampus deal with the change from its initial to its later instantiation of logics. We constructed a chronological list including more than 100 important events – as perceived by several informants (Langley, 1999). We composed a detailed narrative summarizing the set-up of the unit, the issues it had been facing, and the perceptions, motivations and responses of members within the unit. This narrative was continuously modified and updated as the data gathering progressed. We coded the interviews and archival data looking for patterns and similarities (Gioia et al., 2013; Glaser & Strauss, 1967; Strauss & Corbin, 1990). We used second order or axial coding wherein we searched for relationships between and among these initial codes, and assembed them into higher order themes (Strauss & Corbin, 1990). In doing so, we iterated between the data, emerging patterns and the literature on institutional logics and hybrid organizations. At last, we grouped the second-order codes into five third-order themes: (1) renegotiating hybrid goals to accommodate target logic, (2) acquiring structural elements of target logic, (3) acculturating into target logic, and (4) re-embedding new logic instantiations, and (5) sources of tensions. This formed the basis for the development of a process model describing the change of a instantiation of logics at an estranged hybrid. The final data structure is shown in figure 3.1.
### Figure 3.1. Data structure

<table>
<thead>
<tr>
<th>First-Order Categories</th>
<th>Second-Order Themes</th>
<th>Overarching Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renegotiating targets to align more with corporate logic</td>
<td>Conceding to corporate goals</td>
<td>Renegotiating hybrid goals</td>
</tr>
<tr>
<td>Collaborating with representatives from corporate logic to redraft strategy</td>
<td>Retaining goal appropriateness with other logics</td>
<td></td>
</tr>
<tr>
<td>Shielding key interest from university and software developers</td>
<td></td>
<td></td>
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<tr>
<td>Display appropriateness of changes with university and developers</td>
<td></td>
<td></td>
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<tr>
<td>Aligning operations with Microsoft and Nokia</td>
<td>Complying with corporate practices</td>
<td>Acquiring target logic</td>
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<tr>
<td>Centralizing decision-making</td>
<td></td>
<td></td>
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<tr>
<td>Formalizing procedures, reports, guidelines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnering up with Microsoft and Nokia “field resources”</td>
<td>Use of relational spaces</td>
<td></td>
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<tr>
<td>Having two dedicated employees from MS on daily basis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusting to corporate logic by focusing on opportunities</td>
<td>Assimilating corporate logic</td>
<td>Acculturating into target logic</td>
</tr>
<tr>
<td>Relocating within the broader university</td>
<td>Compartmentalizing resistance</td>
<td></td>
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<tr>
<td>Shielding within the hybrid unit from the dominant logic</td>
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<td></td>
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<tr>
<td>Hiring personnel with corporate background</td>
<td>Reinforcing new dominant logic</td>
<td></td>
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<tr>
<td>Introducing clear manifestations of corporate logic</td>
<td>Retaining elements from other logics</td>
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<tr>
<td>Retaining young and fresh image under corporate branding</td>
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<tr>
<td>Providing courses for GTM</td>
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<tr>
<td>Microsoft is taking over Nokia and getting more power over AppCampus</td>
<td>Changing coercive powers</td>
<td></td>
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<tr>
<td>Microsoft wants to take more control over AppCampus to improve app throughput</td>
<td>Changing opportunities</td>
<td></td>
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<tr>
<td>Need to leverage marketing machine of Microsoft</td>
<td>Internal tensions</td>
<td></td>
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<tr>
<td>Responsibility being “taken away”</td>
<td></td>
<td></td>
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<tr>
<td>Cultural clash</td>
<td></td>
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<tr>
<td>Dimension</td>
<td>Professional logic</td>
<td>Corporate logic</td>
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<tr>
<td>Goal</td>
<td>Accessing money, skills and connections “I think [with AppCampus] Microsoft and Nokia do a great work helping developers out there to go to market, to have the contacts and relationships they need […] I really like the amount of knowledge we get here.” (Interview, app developer 3, Apr. 2014)</td>
<td>Developing ecosystem and creating value for the corporation “[The goal] will be to regularly create developer stories and apps that really highlight the offering of Microsoft as a platform for devices and services, that gather, essentially, all the elements of Microsoft services all in one app, that demonstrate all of the values that we can offer as a platform.” (Interview, Virginia, Microsoft board member at AppCampus, Sep. 2013)</td>
</tr>
<tr>
<td>Authority structure</td>
<td>Flat structures, quick information flows “There's the layer of getting to know other developers around the world that I find really valuable. […] Once developers find out that there's money out there it spreads through the community pretty quickly. […] Everyone kind of perpetuates it down the line which is great.” (Interview, developer 39, Apr. 2014)</td>
<td>Hierarchy of business units and corporate office, hierarchical decision-making “Microsoft and Nokia, which are huge and they have different divisions. They have Finnish PR, they have global PR, they have Western Europe PR, so it takes a lot of time to coordinate and finalize the message that is suitable for everyone and to go through that.” (Interview, Alina, AppCampus marketing communications staff, Jun. 2013)</td>
</tr>
<tr>
<td>Sources of authority</td>
<td>Professional community, merit-based “You can imagine how big the impact was. You have a speech, there's Nolan Bushnell [founder of Atari] introducing them [developers from GuitarTuna], there is this, and then there are the guys talking about AppCampus. You are like: “Wow, this is the end of the world. The top - I want to be there.” (Interview, developer 22, Sep. 2014)</td>
<td>Top management “The way they work is the money goes where the KPI’s are. And nothing else. There's not that latitude or flexibility […] it's more like in the [corporate] culture I see it is much more centralised decisions […] [and] much less latitude to allow, or, and actually much less willingness from local level to dare to do something [without top level approval].” (Interview, Paolo, AppCampus director, Mar. 2015)</td>
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Table 3.2. (continued)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Professional logic</th>
<th>Corporate logic</th>
<th>University logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sources of</td>
<td>“To me it was more valuable to be able to tout about, 'Look at how many downloads I have. [...] Like, that to me is more valuable than a few bucks. [...] I like the ratings, I like the downloads, largely in part because it builds my brand. [...] One of the nice things of not having any boss is you do whatever the hell you want, but the bad thing is, you never have any accountability, and once in a while that might be useful.” (Interview, developer 45, Apr. 2014)</td>
<td>“The one common theme across [my] different jobs within Microsoft, is: I have always been involved with partners in different capacities. [...] helping partners to maximize their revenue model or trying to find a way to identify who are the most strategic partners that we [Microsoft] should be working with. [...] So, my manager at the time recommended that I participate in this steering board and help to try to shape the direction of the programme.” (Interview, Virginia, Microsoft board member at AppCampus, Sep. 2013)</td>
<td>“We were always trying to figure out how to get the mission, kind of, consistent with what should be done at a university, but also to stretch the mission, which has always been my view, is that in these new times the university – the edge of the university – is becoming kind of more porous in a way. You know, there’s traffic in and out through entrepreneurs and whatever, through the alumni, through corporate relationships.” (Interview, Will, head of Aalto Center for Entrepreneurship, Dec. 2012)</td>
</tr>
<tr>
<td>identity</td>
<td>Coding / hacker culture: “[The developers] they want to start the coding immediately, and they’re, like, oh, why [should we do the design first]? We don’t want to do this; this doesn’t make sense. [...] most of them are not that interested in testing. [...] Those entrepreneurs are really, kind of, coders, developers, so they… maybe the… where they need most help is the design and marketing, and pitching their apps and so on.” (Interview, Tiina, quality assurance manager at AppCampus, Sep. 2013)</td>
<td>Corporate culture: “I think [Microsoft employee] compiles that into some kind of management report that [she] sends to a bunch of people in Microsoft and that, having worked for Microsoft… that’s what everybody does. You know, that’s the way you look good in the company, and you kind of show what you’re doing. And that is kind of expected, so I think that’s the… if you don’t do that, then, you know: What are you doing?” (Interview, Julio, AppCampus operations staff, Nov. 2013)</td>
<td>Academic freedom: “At Aalto [University] the issue was, are we, you know, going to lose… are we losing independence, because now we’re really binding with these two. And what about Google? What about, you know, Apple? [...] We are a university, and we’re going to… we’re not… we can’t dictate what our staff researches and what platforms our students use. [...] [But] what if Berkeley, or what if wherever gets it? I mean, are we happy that they’re doing it?” (Interview, Will, head of Aalto Center for Entrepreneurship, Dec. 2012)</td>
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<tr>
<td>Basis of norms</td>
<td>Engineering approach and novelty: “[Developers] are different kinds of people and they have a different kind of mind-set than others. They see developer tools and communities and stuff like that may be more important than the amount of customers or something like that, so they might not care about let’s say quality reviews [from testing] that much. What they care about is that they get good ratings.” (Interview, Teemu, AppCampus consultant on Windows Phone, Jun. 2013)</td>
<td>Time-to-market and profitability: “They [Microsoft and Nokia] focus on the short term results and meeting targets, own targets, not that they try to transfer it on us but in some cases putting quite a lot of pressure” (Interview, Paolo, AppCampus director, Jun. 2013)</td>
<td>Knowledge advancement: “Being totally non-profit and, you know, not taking any equity is a, you know, different approach. [...] So none of our KPIs are related to, you know, how the growth rates or, you know, any of the companies we back going public, although, you know, of course I think people would like that to happen. But from university… from Aalto’s perspective, I don’t know if [that’s a focus].” (Interview, Will, head of Aalto Center for Entrepreneurship, Dec. 2012)</td>
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<tr>
<td>Dimension</td>
<td>Initial logic multiplicity: dominant professional logic, minority corporate and university logics</td>
<td>New logic multiplicity: dominant corporate logic, minority professional and university logics</td>
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<tr>
<td>Goals</td>
<td>&quot;The main goal of AppCampus, as a tool for building an ecosystem, is to play its part of harvesting the early stage innovation, novel ideas, and teams with bright ideas. [...] We don’t give, just, funding for them, but we also elevate them into a next level as a product company and a product team. Whatever we do in the training and coaching section, will take them on further steps towards a product company. And that’s where we are complimentary to any VC or accelerator worldwide, and we are bringing in a missing component from the, kind of, an educational perspective. And then after, once they are ready for the prime time, we will be providing the slingshot effect; they can tap into the market, not just with the assistance of Nokia marketing mechanism, but also with Microsoft marketing mechanism.&quot; (Interview, Pekka, head of AppCampus, Dec. 2012)</td>
<td>&quot;At the beginning it was more like let’s populate the system, let’s find cases, and now it’s more like we need cases that are, so many cases that are successful, so many cases that are hero ones according to their own criteria, basically, reflecting the internal criteria and targets that they use at Microsoft and Nokia. [...] It’s very different from what the initial targets were, this was not necessarily, the main mandate was to help to educate growth to elevate teams from one dimension to the other, but there were no hard targets or metrics according [...] So, it’s a big shift from anybody with a cool idea they convince us is okay, even if you don't have a past experience to looking for a team who has already had success in the past.&quot; (interview, Paolo, AppCampus director, Sep. 2013)</td>
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<tr>
<td>Authority</td>
<td>Professional logic: Flat structure, quick information flows</td>
<td>Corporate logic: Hierarchy of business units and corporate office, hierarchical decision-making</td>
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<tr>
<td>structure</td>
<td>&quot;We try to be as little corporate as possible because entrepreneurs and developers typically don’t like the corporate thing [...] because with corporate, slow, long cycles and big decision chains, they’re running around and so on. We wanted to totally avoid that. [...] Rather than doing, like, government grants, and so on, they do a lot of pre-screening. You do a lot of documentation work, which I tried to push as much as possible. Let’s keep it as simple as possible there. [...] You need to be able to do it very quickly, very simply. Forget all the bureaucracy and the admin.&quot; (interview with Paolo, director at AppCampus, Dec. 2012)</td>
<td>&quot;Microsoft and Nokia, which are huge and they have different divisions. They have Finnish PR, they have global PR, they have Western Europe PR, so it takes a lot of time to coordinate and finalize the message that is suitable for everyone and to go through that.&quot; (Interview, Alina, AppCampus marketing communications staff, Jun. 2013)</td>
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<tr>
<td>Sources of</td>
<td>Professional logic: Merit-based, accountability to developers</td>
<td>Corporate logic: Top management, accountability to corporations</td>
<td></td>
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<tr>
<td>authority</td>
<td>&quot;We love to be in a fashion where we are not a company, but we can still run the operations, like if this was a company. So we are running it at arm’s length from Aalto, and arm’s length from Microsoft and Nokia, because we need to look like an independent phenomena in the eyes of the developers. So that whatever we do with them, it’s a one-to-one trust relationship, and everything that happens in that axis happens under confidentially. [...] I’m not a manager, I’m a leader, and I let the people, themselves, be managers of issues. So they have a great liberty to do whatever they want to do, the way they want to do it. The only thing that I…that actually counts is the results.&quot; (interview with Pekka, head of AppCampus, Dec. 2012)</td>
<td>&quot;Since Microsoft is a very hierarchical company, we worked from the top, and I had to push hard the right buttons, to make sure that we got endorsement from the very top; so from above Emilio [middle manager], to endorse us. And that one helped to basically unlock the doors.&quot; (Interview, Paolo, AppCampus director, Jan. 2015)</td>
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<td>&quot;In the screening review meeting there are also persons from Microsoft and from Nokia. [...] All the cases we decide is according to the review meeting [...] I am not going to, I don’t want to make decisions by myself, I don’t really believe that would be wise.” (Ville, head of operations at AppCampus, Sep. 2013)</td>
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<tr>
<td>Dimension</td>
<td>Initial logic multiplicity: dominant professional logic, minority corporate and university logics</td>
<td>New logic multiplicity: dominant corporate logic, minority professional and university logics</td>
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<tr>
<td>Sources of identity</td>
<td>Professional logic: autonomy and reputation “We looked exactly the way I want this programme to look like in the eyes of developers. […] It looked pretty similar to here [points at AppCampus office], cozy, easy going, young, fresh, quite distant from large corporates. […] I don’t want to look government grant. […] We’re not playing the traditional university or the traditional government agency game – definitely not – on purpose.” (Interview, Paolo, director at AppCampus, Dec. 2012). “When I meet people, the first thing they tell me is: “Are you Nokia? Are you Microsoft?” “No no, we are AppCampus”, so it’s kind of neutral. […] big corporations might be a bit frightening to small developers, so these guys come to see us and they feel more comfortable.” (Interview, Chris, head of operations at AppCampus, Dec. 2012)</td>
<td>Corporate boundary spanner “Of course these [KPIs] are much more business driven and oriented. When we started, of course, there were pretty strong, I would say like a societal agenda as well type program […] That has now totally gone out of the window, so this is more really seen as like an accelerator or incubator for the business purposes of Microsoft. That’s how I would describe it. It’s actually a very well working machine at the moment. […] I would say in the last three or four months we’ve been in a very, I would say, effective model, so it’s been working. We’re getting high quality data flow, getting good results on the go to market side and also on downloads and revenues and that team has been working very nicely.” (interview with Tapio, head of ACE, Sep. 2014).</td>
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<td>Basis of norms</td>
<td>Professional logic: coding / hacker culture: “We don’t respect a number of rules about how to play, and we don’t want to respect them, and we don’t ask for permission. We ask for forgiveness later on if they [Nokia, Microsoft and Aalto University] really complain. And in some cases, we don’t even do that.” (Interview with Paolo, director at AppCampus, Dec. 2012)</td>
<td>Corporate and professional logic: corporate culture but retaining some elements from professional logic “You have to deal with Microsoft and Microsoft become the only partner and it’s a bit less flexible, a bit less, kind of, “let’s do it”, and then [less] “we don’t really follow the rules”, what Pekka was bringing, basically. It’s a bit more, kind of, dealing with the big Microsoft machines” (Interview with Chris, head of operations at AppCampus, Nov. 2013) Job position names such as “team lead”, “manager” and “specialist” had previously not been used in any of the job descriptions but had been added to almost every team member’s position by July 2014. (archival data)</td>
<td></td>
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<tr>
<td>Basis of attention</td>
<td>Corporate and university logic: quality and profitability “Those entrepreneurs are really, kind of, coders, developers, so they… maybe they…where they need most help is the design and marketing, and pitching their apps” (interview, Tiina, quality assurance manager at AppCampus, Dec. 2012)</td>
<td>Corporate logic: time-to-market and profitability “The thing is that it’s not just about the quality they turn out, it’s also about the time, you know. With some of it, are we just going to run out of time? There will be a final, ultimate, non-negotiable deadline when they need to be out, and some teams will miss that. […] The later teams are more seasoned, more experienced, more motivated, more hungry for real success, so that would kind of pull down the drop-out rate […] [but] at some point in time, we just need to say, hey guys, it's too late. You're beyond deadline, sorry.” (interview with Mika, head of AppCampus, Sep. 2014)</td>
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Figure 3.2. Grounded model of a change in logic instantiation at an estranged hybrid

FORMATION OF INITIAL LOGIC INSTANTIATION

Initial logic instantiation

*Dominant logic*: professional logic

*Minority logics*: corporate and university logic

Professionalization of leadership

Hiring

Level of autonomy

LOGIC INSTANTIATION CHANGE

Renegotiating hybrid goals

- Conceding to corporate goals
- Retaining goal appropriateness with other logics

Acquiring target logic

- Complying with corporate practices
- Use of relational spaces

Acculturating into target logic

- Assimilating corporate logic
- Compartmentalizing resistance

Embedding new instantiation of logics

- Reinforcing new dominant logic
- Retaining elements from other logics

NEW LOGIC INSTANTIATION

New logic instantiation

*Dominant logic*: corporate logic

*Minority logics*: professional and university logic
3.1 FINDINGS

Our findings, summarized in the grounded model in figure 3.2, outline how an estranged hybrid can manage a logic change. Our model begins at the point where the initial logic instantiation is formed by the professional background of the founders, the unit’s hiring practices, and its level of autonomy. The period of stability after foundation is disturbed when external tensions require the unit to change its logic instantiation. This triggers a period of relative instability, during which the hybrid’s directors managed the change in logic instantiation as follows. First, they renegotiated the hybrid goals with representatives of the different constituencies to accommodate the actors from the target logic while maintaining commitments from the other constituencies. Second, the estranged hybrid needs to acquire a deep understanding of the structural practices of the new target logic and will use relational spaces to gain such knowledge. Third, the estranged hybrid will need to manage its acculturation into the target logic, thereby moving its former dominant logic from the center to the periphery. Fourth, the estranged hybrid will embed the new instantiation of logics. This process eventually leads the estranged hybrid to display a new logic instantiation where a period characterised by stability, once again, sets in.

In what follows, we first identify the competing logics and demands that AppCampus faced, and then address how the hybrid dealt with a change in its instantiation of logics from a dominant professional logic to a dominant corporate logic.

3.1.1 EMERGENCE OF APPCAMPUS

“Thousands of software engineers [were] being laid off from Nokia and its ecosystem partners, and Aalto University was making an initiative within a couple of weeks from the announcement, that maybe we should address the situation by joint action.” (Interview, Pekka, head of AppCampus, Dec. 2012)

At the time of AppCampus’ initiation at the start of 2011, the Finnish telecommunications company Nokia was in turmoil. The long-time market leader in the mobile device market had become the third player in the smart phone market in the fourth quarter of 2010, after it had
fallen behind Apple (iOS) and Google (Android). In a leaked internal memo, Nokia’s CEO Stephen Elop argued that these relative newcomers “are taking our [Nokia’s] market share with an entire ecosystem”, and posed that “we [Nokia] are going to have to decide how we either build, catalyse or join an ecosystem” (archival data, Stephen Elop, CEO Nokia, Feb. 2011).

Soon afterwards, Nokia announced that it was going to join Microsoft’s Windows Phone platform ecosystem, while its proprietary operating system would be gradually wound down. This was set in stone on 11 February 2011, when it was announced that “Nokia and Microsoft will combine strengths to deliver an ecosystem with unrivalled global reach and scale” (archival data, Stephen Elop, CEO Nokia, Feb. 2011). This came together with the news that jobs would be cut at Nokia, both in Finland and in other locations around the world.

Considering the announced strategic moves and the future restructurings of the Finnish mobile giant, the head of the technology transfer office at Aalto University reached out to Microsoft and Nokia in a call for joint action. In the months following this call, a concept to help starting software developers to develop apps for Windows Phone went back and forth between all three organizations, “combining needs or proposals from Microsoft, Nokia and Aalto University” (interview, Paolo, director at AppCampus, Dec. 2012). In February 2012, the three partners signed a contract that outlined the governance, structure, IP, and funding of the program. Set up under Aalto University’s Aalto Center for Entrepreneurship (ACE), AppCampus was born in March 2012 to manage the program.

3.1.2 INITIAL LOGIC INSTANTIATION

We were able to begin research at AppCampus far enough in advance of the actual logic change to capture the organization's instantiation of logics before any changes occurred. Early entry enabled us to develop a basis for comparison with future data on the organization's logic instantiation during and after the change. As can be seen from the quotes in table 3.3., we found that AppCampus’ initial logic instantiation consisted of a dominant professional logic – a strong
alignment with the leading cultural and structural norms of software developer – and the selective coupling with some elements from the corporate and university logics. The former was apparent in AppCampus’ authority structure and sources, identity, norms and locus of attention. The latter mainly referred to the design and quality of the apps, for which AppCampus tried to reach the corporate expectations regarding the commercial success of the apps, by, amongst others, collaborating with Microsoft for the quality review and testing despite the fact that this “requires extra time”. Further, the educational element would form an important part in helping developers to reach the envisioned level of quality and learn how to pitch to investors and monetize an app, by organizing quarterly 4-week “AppCademy” training camps in Finland or one-day sessions at partner universities.

This initial logic instantiation was formed by the professional background of the directors, the hiring practices at the organizational unit, and the autonomy it enjoyed from its sponsors.

Pekka Sivonen was employed in March 2012 to become head of AppCampus. Pekka was a former Nokia director and successful software entrepreneur who had been the founder of Digia, a large Finnish software company. Soon after his appointment, Pekka approached Paolo Borella to become director of AppCampus. Paolo was a former developer and Nokia employee who had been a coach at Aalto University’s start-up accelerator, where “he was viewed as one of the absolutely critical best coaches” (interview, Will, ACE director, Jun. 2015).

Pekka recruited from his network to form a team of “the best brains in the industry who are highly motivated [and] entrepreneurial spirited” (interview, Pekka, head of AppCampus, Dec. 2012). These recruits all had a background in the software development world.

*These guys that have come in are all out of the network [of Pekka]. I mean, Chris I met, you know, three or four years ago when he left Nokia to found a company – Furtiv – which was doing, as I recall, early kind of picture... it was an early version [of] not Instagram, but a way to publish photos on multiple platforms, basically, simultaneously. And Julio is his partner. And then Pekka brought in one former Digia employee and [her] friend.* (Interview, Will, former head of ACE, Dec. 2012)
During that first year, AppCampus had been given relative freedom from the partners to implement practices and structures as they saw fit.

“We have to have our deep thoughts, what is this animal actually going to be, and so far, we haven’t gotten any instructions, directions, or limitations from the outside. Based on what we have done before, we have been given free hands [to] do whatever we like.”
(Interview, Pekka, head of AppCampus, Dec. 2012)

Together, the professional background of the directors, the hiring practices, and the autonomy of the unit shaped the initial logic instantiation of the hybrid. This initial logic instantiation of a dominant professional logic and minority corporate and university logics continued until May 2013.

3.1.3 EXTERNAL TENSIONS

In the second quarter of 2013, two sources of external tensions would, combined, trigger AppCampus to change its instantiation of logics.

First, in May 2013, rumours started to emerge that Microsoft would acquire Nokia’s mobile division. While the acquisition of Nokia’s mobile division by Microsoft was only announced in September 2013, and carried out in March 2014, the far-going discussions around the acquisition had been surfaced on the steering board of AppCampus months earlier, “already starting like in April [2013] […] because the decision on the acquisition was made already probably in May, June, whatever, so that was… they [Microsoft and Nokia] knew that” (interview with Tapio, head of ACE, Sep. 2013). On top of that, Aalto University was going through retrenchments in the second year of AppCampus’ lifetime and it was confided to the researchers that the president “may have to also touch some of the Aalto [University] in-kind money [for AppCampus]” (interview with Tapio, head of ACE, Sep. 2013). This meant that some of the operational resources at AppCampus would be paid for by Microsoft.

This increasing resource dependence of the unit on Microsoft, allowed Microsoft to have more say over “the direction of the program” (interview, Virginia, Microsoft board member at AppCampus, Sep. 2013). While AppCampus was on track to satisfy its agreed-upon goals and
had received good traction for its program and some of the launched apps, the average throughput time of the apps in AppCampus had been significantly longer than hoped for by Nokia and Microsoft at the start of the program, mainly due to the lack of experience of the independent developers that AppCampus worked with.

What we did the first year was exactly what was expected but then of course from the business point of view it was not that successful. (Interview, Tapio, head of ACE, Jun. 2013)

The biggest reason we actually started to think about tweaking the criteria a little, is that the very early ones took ages to go through to release, which is kind of obvious because we have fairly inexperienced teams. [...] We realised that at this pace, we will never actually get any substantial results out of the program, it was kind of a wake-up call, and we needed to do something quickly. (Interview, Mika, head of AppCampus, Mar. 2014)

In June 2013, representatives from Microsoft and Nokia presented a new strategy to the steering board. The two corporations wanted to change the remit of AppCampus into something “which is more pushing the commercial sides of things” (interview, Chris, head of operations at AppCampus, Sep. 2013).

Microsoft and Nokia both basically looked at the amount of money going in and then what the results are, and the judgement more or less was that: “Okay, hey, what we’re doing makes sense so we do grow the ecosystem by bringing in new teams, but if you really want to make them successful and make them, like, serial application developers, we need to focus more on more mature or more promising cases.” (Interview, Tapio, head of ACE, Sep. 2013)

A second factor that triggered AppCampus to change its instantiation of logics related to the potential opportunities of Microsoft’s resources, which became apparent from having more of the grantees ready towards app launch. Increasingly, it became clear that, following the initial logic instantiation, AppCampus was insufficiently able to leverage the corporate capabilities and resources that were especially important for advertising and merchandising the apps.

So far the apps have come out pretty much without any additional support [...] and now we are working on that, to try to see how Nokia [and Microsoft] could do more to promote the apps.” (Interview, Tapio, head of ACE, Jun. 2013)

These external tensions lead AppCampus to move closer to the corporate logic. We inducted four constituent processes that enabled the unit to go through this transition without being
discontinued or marginalized: (1) renegotiating hybrid goals, (2) acquiring target logic, (3) acculturating into the target logic, (4) embedding the new logic instantiation. In what follows, we describe these processes and the internal tensions that surfaced during the change.

3.1.4 RENEGOTIATING HYBRID GOALS

In response to the external tensions, the directors at AppCampus renegotiated the hybrid goals to move closer to the corporate logic, while retaining goal appropriateness with the other logics.

AppCampus’ directors renegotiated the new strategy over the summer over several meetings, each time including the Aalto University board representative and the Microsoft board representative. While the renegotiations were primarily meant to accommodate the concerns from the corporate constituency, they also served to fit the new strategy within the remit of Aalto University and the capacity of AppCampus. This strategy was then also periodically discussed with the AppCampus staff, via meetings with the team.

“Virginia [Microsoft representative] came and we had a couple of meetings trying to clarify and give her some feedback [to the corporations]” (interview, Julio, AppCampus operations staff, Sep. 2013).

As the first iteration of the new strategy “didn’t really include Aalto [University] too much in the preparation phase” (interview, Tapio, head of ACE, Sep. 2013), the new strategy was not only renegotiated with the AppCampus personnel and the Aalto University representative on the board, but also reframed to make it acceptable for the university constituency.

“The first way they presented, it [the new strategy] was very blunt on saying that, “Well, this is hard-core business, we only look for the financial benefits”. That sort of was the flavour and then of course from the Aalto [University] point of view that was just a very complicated thing to say because if you go out with that kind of message then obviously there will be questions that “why is Aalto [University] supporting Microsoft business directly with the tax payer’s money?” [...] It makes a lot of sense what was proposed there but it was just packaged the way that it would have cost a lot of issues if I had gone with the first version of the strategy and showed it to Aalto [University] management.” (Interview, Tapio, head of ACE, Sep. 2013)

By accommodating the strategic changes, AppCampus enabled the representatives of the different constituencies to reach an agreement on a revised strategy, “shifting a little bit [the]
focus that was from volume to much more close to what is the quality of their program that they have in the respected companies [Nokia and Microsoft]” (interview, Paolo, AppCampus director, Sep. 2013). Instead of focussing on educating first-time developers and getting them onto the platform, AppCampus was now looking for individuals or teams that “should already have a proven successful track record of applications on some mobile platform, so basically the newcomers or beginners are not really welcome anymore” (interview, Tiina, quality assurance manager at AppCampus, Sep. 2013). This was different from the “initially soft targets in terms of volumes of teams” (interview, Paolo, AppCampus director, Sep. 2013). The new targets now revolved around getting “hero-cases” which – in Microsoft terminology – meant apps that would be downloaded more than 500,000 times per year, or generate more than $50,000 per year in revenues. While the new strategy was “more focused on the Microsoft apps business” (interview, Tapio, head of ACE, Sep. 2013), AppCampus’ directors managed to renegotiate the initial proposition by keeping a 20% quota of the grants for beginning developers, thereby shielding some of the key interests for the university and software developer worlds. Although Aalto University “never foresaw there would be these kinds of big changes in the middle from a partners’ perspective” (interview, Will, former head of ACE, Sep. 2013), the changes were approved and supported by all the partners and announced in September 2013.

“Even now with all these new targets and changes everyone is still sort of fully committed and saying: “Yes, this makes sense and we want to move forward”” (interview, Tapio, head of ACE, Sep. 2013)

3.1.5 ACQUIRING TARGET LOGIC

As the new goals would require more involvement from and alignment with the corporate sponsors, AppCampus’ leadership realized that it needed more support from within Microsoft to drive AppCampus requests and align its operations to “be able to shape, manage and drive the cooperation with Microsoft to get more out of it” (interview, Paolo, director at AppCampus, Jun. 2013). In order to acquire understanding of the corporate logic, Microsoft
would allocate two full time employees to help AppCampus. One of Microsoft’s steering board members would take on “an operational role” within the AppCampus unit at the director level, while a program manager would drive all AppCampus’ requests within Microsoft out of the headquarters in Redmond. Nokia, from their side, would also allocate one full time employee to drive AppCampus’ requests within Nokia.

Using the increased support from the corporate constituencies, AppCampus’ directors subsequently looked to comply with the corporate practices by employing relational spaces. Relational spaces are free spaces that “give reformers in different work positions a forum for building a sense of efficacy around accomplishing change with newly developed task allocations” (Kellogg, 2009: 657). The two full time employees from Microsoft were regularly interacting with the AppCampus staff to “make sure that [Nokia’s and Microsoft’ strategy to drive more successful developers] is aligned with how AppCampus is operating on a day-to-day basis” (interview with Virginia, Microsoft board member at AppCampus, Sep. 2013). AppCampus staff also set up spaces with other actors from the corporate constituency. As an example, with the new strategy, AppCampus was now collaborated with the Nokia and Microsoft field resources, especially for the screening of the applicants. Most applicants were now reaching AppCampus via referrals from these local offices or via the selective 2-day “Mobile App Acceleration Camps” or MAACs that were jointly run by AppCampus, Microsoft and Nokia, and of which more than 50 took place globally from November 2013 onwards. Through these relational spaces, the staff at AppCampus was further trained in the corporate logic and in what Microsoft actually expected in terms of practices, reports, and monitoring of the AppCampus activities.

This way is basically putting more pressure [on us] [...] with additional risks and additional workload and, you know, having to develop the way we are working with them [Microsoft and Nokia]. (Interview, Paolo, AppCampus director, Sep. 2013)
The intensified support by Microsoft and Nokia, and the use of relational spaces allowed AppCampus to comply to the corporate practices. For instance, the corporate sponsors were asking AppCampus to adopt a more stringent follow-up of the process. This involved not only coordinating the marketing efforts with regards to the apps that were launched or about to launch but also implementing and tracking performance metrics such as the time spent by each of the AppCampus teams in each part of the process and strictly following up on their progress. Furthermore, AppCampus aligned its processes with Microsoft in terms of application process – which went from strictly open to mainly referrals by the corporate partners’ incubators, developer initiatives and field resources – merchandising – where apps were now held back to wait for combined corporate advertising campaigns – and reporting – which was aligned with Microsoft’s fiscal year and reporting norms.

Decision-making was also being centralized and formalized. An investment board including people from Microsoft, Nokia and Aalto University was installed, which implied that the screening team at AppCampus could no longer make award-decisions. AppCampus had to report against various “key performance indicators” (KPIs) or metrics that were “reflecting the internal criteria and targets that they use at Microsoft and Nokia” (interview, Paolo, AppCampus director, Sep. 2013), and activities were formalized.

“We have a 60-page grade-book. [...] So we have the guidelines on how to run this; what to do and what not to do. We even provide a tracking... it’s actually a template “this is how you sort of keep track of it”.” (interview, Virginia, Microsoft board member at AppCampus, Nov. 2013)

3.1.6 INTERNAL TENSIONS

While the relational spaces enabled a strict compliance with the corporate practices so that AppCampus could better leverage the corporate constituency, it also meant that the decoupling or loose coupling could not be employed as a strategy by these members to deal with the tensions they experienced. The unit’s members were forced to deal with the increasingly dominant corporate culture, as – seen in hindsight by the head of operations – “Microsoft [was]
basically Microsoftizing the program” (interview with Chris, head of operations at AppCampus, 29/01/2015). We noticed that AppCampus became increasingly prone to internal tensions.

After the changes in the organizational structure of the unit, many members felt deprived of their freedom to operate and to make decisions. AppCampus switched from being in control of their operations to following directions from Microsoft.

*I think we have moved away from, kind of, being in control of what we do and shaping what we do and reacting to what’s happening by optimising and kind of trying to find the best way into more of a kind of… a kind of... how could you say? Kind of typical corporate work. I don’t think anybody is happy about this situation.* (interview, anonymous AppCampus staff member, Sep. 2013)

Especially the strong focus on reporting was by some members of the unit perceived as a “useless activity”. One of the employees jokingly reported “If you move your finger you have to report it” (interview, anonymous AppCampus staff member, Sep. 2013).

*So we shifted from operation to reporting as you know, so a lot of reporting...a lot of reporting and maybe not that much actual activities, particular activities. [...] So we have KPIs and sheet defined reports with beautiful Excel and numbers. So numbers come in, numbers come out. [...] You can imagine so anything that could be thought of can be put into a number and reported. So that’s what’s happening at the moment.* (interview, anonymous, AppCampus staff member, Sep. 2013)

One of the unit’s members expressed the conflict from the new practices as follows:

*“We were very much working all together in the same place so communication was minimal, reporting was minimal because we could talk directly to each other, now we’ve shifted to the other side [...] not that much anymore kind of close collaboration and fast.”* (anonymous AppCampus staff member, Sep. 2013)

The conflicts had an impact on the general atmosphere at AppCampus. Our notes from being at AppCampus during our visit in September 2013 include:

*“The atmosphere has changed, the joyous glee that all staff exhibited has gone. [...] even Pekka seems less enthused about the whole thing. [...] The unstated but obvious reason for this is the arrival of [Microsoft personnel] from Redmond, who brought a management style that is not only foreign to the unique environment that is AppCampus, but who also implemented the changes in a way that was demoralising and, perhaps, even un-inspirational to the team.”* (notes, Sep. 2013)
3.1.7 ACCULTURATING INTO TARGET LOGIC

These internal tensions were followed by a process of acculturation. Acculturation refers to the "changes induced in (two cultural) systems as a result of the diffusion of cultural elements in both directions" (Berry, 1980: 215). Although it may be a two-way flow, members of one culture will often dominate members of the other (Berry, 1980; Nahavandi & Malekzadeh, 1988). In the case of AppCampus, we found that the directors of the unit eventually managed to alleviate the internal tensions by assimilating the new dominant logics, and compartmentalizing remaining tensions.

Most of the organizational members stayed and adapted their way of working to conform to the corporate practices, thereby relinquishing the initial culture of the unit as well as most of their organizational practices and systems. While these members also encountered difficulties with the new way of working, they recognised that adhering to a corporate logic also brought benefits to the program and focused on those advantages. By seeing the change in logics as a strategic opportunity rather than a coercive pressure, these organizational members managed to adhere to the corporate logic with minimal conflicts.

“It’s a bit less flexible, a bit less, kind of, “let’s do it”, and then kind of “we don’t really follow the rules” […] Basically, it’s a bit more, kind of, dealing with the big Microsoft machines, but then again, that’s very on the, kind of, maybe a bit minus side. On the plus side, it’s more on the promotion, the applications, and using this huge machinery of Microsoft to promote the applications, which is very good.” (Chris, head of operations at AppCampus, Mar. 2014)

“So basically Microsoft took ownership to drive this one, so basically to scale it and drive it as it were one of their initiatives, and basically for us it’s good, because we can leverage the local resources plus the local context to help screen cases.” (Interview, Paolo, AppCampus director, Mar. 2014)

We observed that some organizational members did not want to adhere to the corporate culture and considered the change as “a useless activity”. AppCampus’ leadership tried to alleviate these remaining internal tensions by compartmentalizing the members that resisted the change into small “subunits” within AppCampus or as part of relocations within the larger university. We observed this strategy for three organizational members. For instance, the main
member responsible for the training camps AppCademy expressed his strong opinions about the new way of working and openly resisted to this.

_Somebody asked me to report KPI's, they can go take a long run off a very, very short pier. I don't do reporting. It's bullshit. If you want the data, you know, here's a spreadsheet. Can you make me a graph? No. You're the expert, Excel expert, I can put the data into Excel for you if you really, really want but here it is as a text file or here's the data I've got. You're interested in it, I'm not. Oh, but we pay you. So? Somebody else will pay me not to do shit work like that. It's not something I'm interested in._ (interview, Mike, AppCampus staff responsible for AppCademy, Sep. 2014)

This smaller compartment would then be directed to focus on the activities that were close to the developers such as the quarterly camps and the content creation for a massive open online course. Asked about his involvement with the AppCampus-branded boot camps at Microsoft field organizations, he mentioned:

_“Paolo was trying to make sure we don't get too involved”_ (interview, Mike, AppCampus staff responsible for AppCademy, Sep. 2014)

A last part the organizational members responded by leaving the organization. While this was not a process which the AppCampus directors could manage, it did contribute to the acculturation of the unit. One of the prominent entrepreneurial members to leave the unit was Pekka Sivonen. The then head of AppCampus left the hybrid accelerator in January 2014. He was joined by one of the consultants employed by AppCampus who summarized the feeling amongst these leavers as follows:

_It [his work after the implementation of the new practices] hasn't been very rewarding and I may be looking for some more different opportunities._ (Interview, Julio, AppCampus operations staff, Sep. 2013).

### 3.1.8 EMBEDDING NEW INSTANTIATION OF LOGICS

The last process that we identified was embedding the new instantiation of logics, or active infusing of the foundations of the corporate institutional logic into the AppCampus practices and arrangements (Lawrence & Suddaby, 2006). We inducted two constituent processes here: reinforcing the dominant corporate culture and making the new minority logics complementary to it.
The leadership at AppCampus further reinforced the dominant corporate culture through the hiring of new personnel with a corporate background. As such, all of the organizational members that left the unit were replaced by people with a corporate background, most of which had worked for either Microsoft or Nokia. Pekka was replaced by Mika, who had held senior roles at Microsoft Finland for the last 10 years. Mika had been involved in the concept development of AppCampus and had served as the Microsoft representative on the steering board since its inception. He thus made the move from Microsoft to Aalto University to become the head of AppCampus in February 2014. The new recruits brought in the background and practices to reinforce the dominant corporate logic. Together with the appointment of Mika who “if one of the issues was to understand Microsoft language, he has ten years’ experience” (Interview with Paolo, AppCampus director, Mar. 2014), these new recruits made AppCampus become more apt in understanding the corporate language.

*The benefit on our side is that we understand how Microsoft works so it’s then easier to properly serve them the things that they need instead of figuring out what they want.* (Interview with Teija, AppCampus marketing communications staff, Mar. 2014)

Familiar with the corporate practices, the people who joined AppCampus would further infuse their way of working into the organization. Hence the corporate logic now also became apparent to the external world. For instance, job position names such as “team lead”, “manager” and “specialist” had previously not been used in any of the job descriptions but had been added to almost every team member’s position by July 2014. One of our interviewees who had left the unit for another job within the technology transfer office at Aalto University, mentioned:

*Well I haven’t been, kind of [working here]... I have been observing. It’s been to a corporate, more Microsoft like behaviour.* (Chris, head of operations at AppCampus, Mar. 2014)

At the same time, embedding the new logic instantiation also involved finding new ways of making the minority logics complementary with the new dominant logic. Especially in its outreach activities, AppCampus was still displaying appropriateness with the professional
logic. However, this was now done in a different way than before. In their initial instantiation of logics, the leadership at AppCampus would opt not to be associated too visibly with Microsoft and Nokia and trade-off marketing potential for a more independent image. In contrast, in the new instantiation of logics, AppCampus was now visibly demonstrating that Microsoft and Nokia were backing the program and that AppCampus had unique access to marketing channels within these corporations. The vision was to brand itself much more as one of the later stage developer initiatives of Microsoft and Nokia. AppCampus was now “seen as like an accelerator or incubator for the business purposes of Microsoft” (interview with Tapio, head of ACE, Sep. 2014). AppCampus would then selectively adopt some elements of the professional logic. As such, it would try to keep its young and fresh image, but have it associated with Nokia and Microsoft.

So with Nokia we were at the Developer Conference as one of their partners. [...] it [the stand at Mobile World Congress 2014] was branded according to like their [Nokia’s] exhibition area layout. So we had our logo visible there, and then we were branding ourselves with our blue hoodies and these T-shirts. The only ones who really wear like these... our outfit. It was funny. Everyone was like black suits and we were with the hoodies. But we were noticed [by the developers]. [...] We try to keep that [AppCampus’ creative image] going on. (Interview, Teija, AppCampus marketing communications staff, Mar. 2014)

3.1.9 NEW LOGIC INSTANTIATION

By June 2014, AppCampus’ logic instantiation was characterized by a dominant corporate logic and minority university and professional logic. The act of dissociating the unit from the corporate sphere had been replaced by association, the accountability of the unit was focused on the corporate world rather than the developer world, and the unit’s members were now largely speaking the corporate language. The unit had moved from a focus on a speedy application and release process to one that was now aligned with Microsoft, the developers were being closely monitored and decision-making had been centralized. Several respondents would now compare AppCampus to a “machine” that was “now operationally mature” or in “execution mode”.
Up till the program’s foreseen end in May 2015, we did not notice any further major changes in the practices, goals or approach of AppCampus. We conclude that a new period of stability had set in after the change in logic instantiation had been completed.

3.2 DISCUSSION

Building on an empirically grounded model based on a longitudinal study of a university-hosted, hybrid accelerator, we showed how an estranged hybrid can change its instantiation of logics over time, while retaining appropriateness with the other constituencies. By illuminating this process, we contribute to the literatures on hybrid organizing and institutional theory.

3.2.1 CONTRIBUTIONS TO HYBRID ORGANIZING

We believe that our findings contribute to the literature on hybrid organizing by: (1) demonstrating how individuals inside organizations experience and react to competing institutional logics, and (2) shedding light on the dynamic nature of logic instantiations in the context of estranged hybrids.

First, we contribute to the micro-foundations of the institutional logics perspective by developing a better understanding of how individuals inside organizations experience and react to competing institutional logics. Pache and Santos (2013a) have theorized how the degree of adherence to a certain logic relates to differences in individuals’ responses to competing institutional logics, and posited that individuals may resort to five types of responses (ignorance, compliance, resistance, combination or, compartmentalization) depending on the degree of adherence to each competing logic. We find similar types of individual responses in the case of changing institutional logics but add that the type of response will depend on how the change has been made sense of. We find that, if individuals focus on the coercive pressures as the main cause of the change in logic instantiation, they grapple with competing demands and do not see the purpose of a change in the way they are working. In contrast, when individuals make sense of the change as an opportunity to better leverage a new dominant
constituency, they will be more willing to comply and adjust. We also found evidence of compartmentalization as a strategy for the remaining resisting team members. This means that organizational members within an estranged hybrid will not all be guided by a single dominant logic, as sub-units may adhere to a different dominant logic than the other members of the organizational unit. Perkmann, McKelvey, and Phillips (2019) have found previously that some estranged hybrids are more like “mosaics” of small hybrid spaces characterized by different instantiations of logics. Our study contributes to an understanding of how such mosaics may emerge, as we found evidence of the creation of sub-units as an intentional response of organizational members faced with a changing logic instantiation.

Second, we noted earlier that much of the literature on hybrid organizing has looked at how organizational fields or independent organizations that instantiate two or more logics at the core of their functioning deal with logic changes over time (Goodrick & Reay, 2011; Reay et al., 2017; York et al., 2016). We find that the process of change in the logic instantiation at an estranged hybrid is different from the findings stemming from these previous studies. While the change at independent organizations or at the level of the professional field happens gradually and often organically over multiple years (Reay et al., 2017; York et al., 2016), the change in logics at an estranged hybrid is more abrupt, may be enforced and – as in our case – may take place in a period of multiple months. As most estranged hybrids are dependent on a host organization or a dominant sponsor, resistance to the change in logics is short-lived or not possible. Relational spaces may ensure proper implementation of the practices of the new dominant constituency but will limit the use of decoupling or loose coupling to deal with tensions. The quick changes and the inability to fence off demands, lead to intense internal conflict experienced by multiple members of the organizational unit. We inducted a process of acculturation which enabled the hybrid to alleviate some of the internal conflicts.
3.2.2 CONTRIBUTIONS TO INSTITUTIONAL THEORY

We contribute to institutional theory by demonstrating the importance of middle management as internal agents during a change in the instantiation of logics at organizational units. Just like estranged hybrids, most organizations may not encounter daily tensions in their organizational functioning due to the presence of one dominant logic. While the presence of a dominant logic will lead to less tensions in organizational and individual functioning, it also means that there will be no structures or routines in place to deal with competing logics. However, emerging opportunities or coercive pressures may pull an organization towards a new dominant logic. Due to the lack of experience and structural mechanisms, this may lead to sudden stark tensions in the organization. In these circumstances, it is important that internal agents see the need for temporary structures such as relational spaces to guide the change without losing valuable human resources.

3.2.3 LIMITATIONS AND FUTURE DIRECTIONS

This study centres on a hybrid accelerator operating in-between the corporate, university and software development worlds, but we believe that the boundary conditions of our findings extend to any estranged hybrid organizational form. We think that our case is a transparent example of how a hybrid organizational form that predominantly aligns with one logic can change its instantiation of logics over time. In other words, our model applies to organizational units at the boundaries of established corporations or universities, or to multi-stakeholder partnerships that engage with actors from different constituencies.

As with any qualitative research based on a single case study, this research has limitations which suggest areas for further investigation. First, the organizational unit that we study here was relatively young and the dynamics that we identified might be different in a more mature organizational unit. We looked at the period after founding and we focused on developing an understanding of what happened during the first change in logics. However, many companies have estranged hybrids that have been in existence for a very long time. More research needs
to be done whether the dynamics would play out differently at organizational units that have more longevity. We expect that the model of logic change that we have developed from our case can repeat itself as an organizational form goes through multiple cycles of such changes over its lifetime. We believe that a fruitful avenue for future research could be whether more experienced units or organizational members more easily resist a logic change or have found other ways to mitigate tensions.

3.3 CONCLUSION

Estranged hybrids adhere to a combination of dominant and minority logics. The model we develop reveals the process of how an estranged hybrid’s instantiation of logics changes over time. While much remains to be explored about estranged hybrids, we hope to have provided building blocks for further theory development with this study.
A Strange Bird in the Breed: The Translation of a Concept across Incompatible Logics

Abstract. In the face of the aggravating state of many grand challenges, corporations are increasingly pursuing and trialling less-conventional ideas, practices and models from fundamentally different fields to affect positive environmental and social change. While institutional scholars have explored the translation of ideas, practices, and forms in-between contexts that adhere to the same or largely compatible logics, much less is known about the translation of concepts in-between mutually incompatible logics. Drawing on a 20 months long ethnographic single case study of the translation of the concept of impact investing into a European media corporation, I show that the corporate motivations for such translation gradually change as tensions surface, morphing the translated concept from a strict coupling to a decoupling with the source concept. I highlight the role of internal agents in their attempt to resist this process and find a middle way.
4.1 INTRODUCTION

Our global society is confronted with many wicked problems that affect a vast number of individuals and social groups in profound but complex ways. Examples include climate change (Howard-Grenville, Buckle, Hoskins, & George, 2014), ageing population (Kulik, Ryan, Harper, & George, 2014), and the depletion of natural resources (George, Schillebeeckx, & Liak, 2015). In the face of these “grand challenges”, corporations are increasingly asked to act, not only because of their responsibility in inducing many of the grand challenges that society is facing, but also due to their financial means, wealth-creating and innovation capabilities (York & Venkataraman, 2010; Wijen, 2014). Mainstream practices such as corporate social responsibility, corporate greening, and other mitigation initiatives, however, will not be sufficient to address the issues at the substantial levels needed (Hockerts & Wüstenhagen, 2010; Pulver, 2007). Instead, to really tackle grand challenges, corporations need to consider “the pursuit of bold ideas and the adoption of less conventional approaches to tackling large, unresolved societal problems” (Colquitt & George, 2011: 432).

One way for corporations to pursue such bold ideas and approaches is through the translation of concepts from very different institutional areas. Corporate leaders are increasingly trialling ideas, practices, and forms from fundamentally different belief systems, such as social intrapreneurship or the application of social entrepreneurship activities within corporations (Hemmingway, 2005; Kistruck & Beamish, 2010; Alt & Craig, 2016) or approaches developed and initiated by (semi-) governmental organizations to articulate and structure sustainability transitions (Loorbach & Wijsman, 2013; Delmas, Lyon, & Maxwell; 2019). While hopes are high that these efforts will enable corporations to unlock their potential as agents in addressing grand challenges (Fauchart & Gruber, 2011), translating concepts to very different environments tends to be a challenging and long endeavour (Lawrence, 2017),
and research exploring such translations over time and in depth is needed to uncover the true nature and evolution of these translations (Wright & Nyberg, 2017).

Institutional scholars have explored the translation of ideas, practices, and forms as they “travel the distance” between the original and the new arenas (Morris & Lancaster, 2006: 207). While these studies have examined the ‘editing rules’ (Sahlin-Andersson, 1996) by which recipients make sense of concepts moving across different cultural contexts (e.g., Czarniawska & Joerges, 1996), the empirical emphasis has been on the translation of concepts in-between contexts that adhere to the same or largely compatible logics. In contrast, little attention has been paid to the translation of concepts in-between logics that are incompatible, or at least appear to be so. The translation between incompatible logics concerns the adoption, modification and variation of concepts by host organizations whose dominant institutional logics – systems of values and rules that are enacted through practices (Thornton & Ocasio, 1999) – are largely incompatible with the institutional logics of the social groups where the concepts originated. When institutional logics are incompatible, they are inconsistent regarding the goals of organizational action and the means by which those goals are to be achieved (Besharov & Smith, 2014). For concepts where the source logic is embedded into its operational – tasks and routines – and programmatic – aims and objectives – elements, translation between incompatible logics will inevitably generate challenges and tensions during the implementation process (Greenwood et al., 2011).

This gap does not only restrict empirical pluralism (Glynn, Barr, & Dacin, 2000) but it also limits our understanding of a translation process that is challenging and potentially very impactful in the context of corporate action on grand challenges. Translating concepts in-between contexts with mutually incompatible logics to act on grand challenges may lead to potentially transformational impacts, both within the adopting organizations (Smets & Jarzabkowski, 2013; Smets, Morris, & Greenwood, 2012) as well as in the surrounding
communities and societies (Lawrence, 2017). Nevertheless, introducing concepts that challenge important cultural assumptions in the host context could also be problematic, and a reversal to business as usual is often not far off (Wright & Nyberg, 2017).

In this study, I look at the translation of an unconventional concept for tackling grand challenges into a corporate context to address the following question: How does a concept get translated into a host organization when the logics between the original arenas of the model and the host context are incompatible? To address this question, I employ a longitudinal single case study analysis of the translation of the concept of impact investing into Crystal, a large European media corporation. Because we lack fine grained theoretical insights on the translation of concepts between incompatible logics, I used an inductive research design including 20 months of participant observation at the corporate impact investing unit.

I believe the concept of corporate impact investing offers a rich context to study the translation of concepts from incompatible logics for several reasons. Impact investing has its roots in “venture philanthropy” or investing through grants into social enterprises or non-profits (Moody, 2008; Mair & Hehenberger, 2014). Although the field of impact investing later included more elements from the venture capital model such as equity or debt investments to solve humanity’s biggest problems through a standardized investment approach, the field participants are typically part of “adjacent fields, such as philanthropy, financial markets, social economy, and policy” (Hehenberger, Mair, & Metz, 2019: 1681) that adhere to a common professional logic which has formed the concept of impact investing (Moody, 2008; Nicholls, 2010). This logic is seemingly incompatible with the corporate context, where most functions adhere to a dominant corporate logic (Thornton, 2004; Thornton et al., 2012), including the CSR functions hosted in mainline business units (e.g., Glynn & Raffaelli, 2013), and corporate venturing activities (e.g., Pahnke, Katila, & Eisenhardt, 2015).
By analysing the case and developing a grounded model of translation across incompatible logics, I make three contributions at the intersection of research on institutional translation, organizational adoption of practices and ideas, and grand challenges. First, I show that organizational actors may have been attracted to a certain concept discovering only later that this concept presupposed certain elements from an incompatible logic, and that this will subsequently lead to changes in the operational and programmatic elements of the concept during implementation to better fit the host context. Second, I contribute to our understanding of the role of internal agents in the translation of concepts between incompatible logics and the dilemma they face at critical moments to either keep the initiative into existence by adjusting the essence of the concept to better fit the host logic, thereby compromising the transformational potential of the concept, or resist adjustment and risk the reversal of the adoption. Third, I find that corporations may decide to adopt bold ideas for addressing grand challenges as the result of a top management pro-social ideology and highlight the role of this as a novel type of adoption motivation beyond the well-known social and economic accounts (e.g., Kennedy & Fiss, 2009; Ansari, Fiss, & Zajac, 2010).

4.2 THEORY

4.2.1 INSTITUTIONAL TRANSLATION

The movement of ideas, practices, and forms across and between societies and institutional contexts is a long-standing concern of institutional theory (Deephouse, Bundy, Tost, & Suchman, 2017; Zilber, 2006). As the study of diffusion developed, the early emphasis upon isomorphic convergence was nuanced by recognizing that the movement of concepts typically involves at least some measure of adaptation, leading to “local” variants of the original ideas, practices, and forms (e.g., Ansari, Fiss, Zajac, 2010; Czarniawska & Joerges, 1996; Czarniawska & Sevón, 2005; Lounsbury, 2007; Gondo & Amis, 2013; Wedlin & Sahlin, 2017). Contrary to approaches that portray concepts as moving intact, these studies pay attention to
how concepts are being adjusted to the norms and way of working of the host context during implementation.

Translation theory, in particular, has often been used to understand and theorize the movement of ideas, practices, and forms between organizations across time and space, and how these concepts are transformed as they become embedded in local organizational practices and routines (Boxenbaum & Strandgaard Pedersen, 2009; Morris & Lancaster, 2006). Translation involves the selection of an idea, disembedding it from one local context and re-embedding it in one or more other contexts (Czarniawska & Sevón 1996). Translation studies have emphasized the agency of local actors in receiving, adjusting and spreading such concepts (Boxenbaum, 2006; Czarniawska & Sevón, 1996, 2005). Local actors such as consultants, local managers, and organizational members are then considered those who can make editorial decisions regarding the “new” concept (Sahlin-Andersson, 1996).

The concepts that form the object of translation are diverse and encompass both programmatic and operational elements. Translation studies in organizational studies have broadly focused on the movement of management ideas, management practices or systems, organizational forms, educational programs, and organizational models (e.g., Wæraas & Nielsen, 2016). Sahlin and Wedlin (2008) suggest that each of these concepts consists of programmatic and operational elements. The programmatic elements include the core ideas, aims and objectives of a certain concept, while the operational elements refer to its tasks, routines or other material aspects. Both programmatic and operational elements will be ingrained with the values and beliefs of the original context where the concept emerged (Lamb & Currie, 2011), but these elements may be modified or become more abstract over time as a concept circulates to different contexts (Sahlin & Wedlin, 2008).
While early translation studies within “Scandinavian Institutionalism” considered organizational translations largely as a unique localized process (e.g., Czarniawska & Joerges, 1996, Czarniawska & Sevón, 2005), later studies looked for generalizable patterns of organizational translation of a concept within a distinctive context. Recently, scholars have suggested that, for translation theory to move forward, it is important to distinguish types of translation contexts in order to identify their distinctive processes (e.g., Lawrence, 2017; Tracey, Dalpiaz, & Phillips, 2018; Claus, Greenwood, & Mgoo, 2020). Whereas early studies on translation have looked at the translation of concepts in-between geographies or industries that display only slight differences ‘between the regulatory, cognitive, and normative institutions’ (Kostova and Zaheer, 1999: 71; e.g., Kostova, Roth, & Dacin, 2008), these latter scholars have looked at the translation of concepts across contexts that display high institutional distance (e.g., Lawrence, 2017; Tracey, Dalpiaz, & Phillips, 2018). So far, however, relatively little attention has been paid to the institutional logics of the contexts in between which concepts are being translated.

4.2.2 TRANSLATION IN-BETWEEN INCOMPATIBLE LOGICS

Institutional logics are “the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality” (Thornton & Ocasio, 1999: 804). They guide actors in how to interpret organizational reality or the meaning of a specific behaviour or practice, and what constitutes appropriate behaviour (Thornton & Ocasio, 1999). Institutional logics arise in supra-organizational institutional orders, for instance at the level of an organizational field (Zietsma, Groenewegen, Logue, & Hinings, 2017) or a social group (Friedland & Alford, 1991), and become conduits for the adoption and implementation of new ideas, practices, and forms (Thornton, Ocasio, & Lounsbury, 2012). Previous research has identified seven institutions with distinctive logics:
profession, market, corporation, community, state, family, and religion (Friedland and Alford, 1991; Thornton, Ocasio, & Lounsbury, 2012). Similar to translation theory, the literature on institutional logics focuses on the possibilities of organizational agency in enacting these institutional logics to recontextualize new ideas, practices, and forms (Thornton et al., 2012; Varlander et al., 2016).

The dominant institutional logic of the original area of a concept will be embedded into that concept. A concept may carry elements of the institutional logics where a concept originated or got structured (Thornton et al., 2012). A central logic that is shared between the original areas of the concept and a recipient context will then facilitate the process of translation and serve as an ideological anchor (Sahlin & Wedlin, 2008). For instance, previous research has found that the market logic has become embedded into the concept of MBA programs, and that the translation of MBA programs from its original areas in the U.S. to a recipient context with a dominant market logic will not generate meaningful adaptation and variation, even if the localities are characterized by differences in regulatory, cognitive, and normative institutions (Lamb & Currie, 2012). A dissimilar logic can also infiltrate an individual organization through the cognitive, normative and structural elements embedded in a concept (Thornton et al., 2012). As an example, the implementation of the concept of open innovation at NASA led to a change in the enactment of the professional logic of local R&D professionals (Lifshitz-Assaf, 2018).

However, the degree of logic compatibility in-between the source context and the dominant logic of the context where the idea is translated to can vary widely. Just like the institutional distance in-between countries (Kostova, 1999), institutional logics can vary in terms of the extent to which the instantiations of two or more logics imply consistent and complementary organizational actions (Besharov & Smith, 2014). These contexts are then compatible when the goals and means of organizational actions that are considered appropriate within each logic
are consistent. When this is not the case, “they inevitably generate challenges and tensions for organizations exposed to them” (Greenwood, Oliver, Lawrence, & Meyer, 2017: 318).

So far, most translation studies have looked at the movement of ideas, models, and practices across contexts with either a common central logic or mutually compatible logics. For instance, popular topics in translation literature include the translation of educational programs between American and Chinese or European business schools (e.g., Mazza, Sahlin-Andersson, & Pedersen, 2005; Lamb & Currie, 2011), the translation of management practices between corporations from different countries (e.g., Boxenbaum, 2006; Morris & Lancaster, 2006), or the translation of lean practices in-between the production and construction industry (Morris & Lancaster, 2006). In each of these studies, the dominant logic of the different contexts in-between which the concept is translated remains the same – respectively a market, a corporate and an industrial logic.

In particular, what is missing from our current body of knowledge on the translation of concepts, is an understanding of the movement of ideas, models and practices across contexts with mutually incompatible logics, or the adoption, modification and variation of concepts by host organizations whose dominant institutional logics are largely incompatible with the institutional logics of the social groups where the ideas or models originated. This is especially relevant in the context of corporate actions to address grand challenges.

4.2.3 CORPORATE INITIATIVES TO ADDRESS GRAND CHALLENGES

Corporations and their business leaders are increasingly looking for ways to act on the big societal issues of our times (Hambrick & Wowak, 2019), in part motivated by the calls of employees, customers, and policy makers. As these activities are relatively new to most corporations, business leaders seek for concepts from other fields or social groups. Corporations have resorted to “importing” the concepts of social entrepreneurship from
entrepreneurs that aim to solve environmental or social issues by combining non-profit principles and practices with classic, profit-oriented business methods (Hemmingway, 2005; Kistruck & Beamish, 2010; Alt & Craig, 2016), bottom-of-the-pyramid (BoP) initiatives from locally led organizations in developing countries (Prahalad & Hammond, 2002; Kolk, Rivera-Santos, & Rufin, 2014), and impact investing from professional investors that combine social, environmental and financial goals (Hehenberger, Mair, & Metz, 2019; Yan, Ferraro, & Almandoz, 2019).

While policy- and opinion-makers are hopeful that such translations have “enormous potential for achieving social impact” (Heitmann, Roza, Boiardi, & Serneels, 2020), it has also proved arduous. For instance, thriving BoP initiatives operated by multinational corporations “are still the exception, not the rule” (Jenkins & Ishikawa, 2010: 4), and bold environmental practices in corporations in response to grand challenges are typically at risk of being reversed due to periodic criticism from key stakeholders (e.g., Wright & Nyberg, 2018). Despite the increasingly widespread use of this type of translation, most studies on the translation of concepts for addressing grand challenges have looked at translation in-between geographies or fields with a central or mutually compatible logics (e.g., Lawrence, 2017; Mair, Wolf and Seelos, 2016; Claus et al., 2020). In what follows, I explore the translation of a concept for addressing grand challenges into a corporate context when the logics between the original context where the concept was shaped and the host context are (seemingly) incompatible.

4.3 METHODOLOGY

The paper is based on a qualitative, inductive study of Crystal, a pseudonym for a large pan-European media company. A qualitative inductive approach was appropriate because my goal was to explore a process that is not well explained by existing theory – in this case, the process of how a concept for addressing grand challenges is being translated into the corporate context from a logic that is incompatible with the corporate logic.
4.3.1 RESEARCH SETTING

*Crystal* is one of the largest European media and telecommunications conglomerates, based in the United Kingdom (UK). In October 2017, Crystal’s CEO pledged to invest £25 million into innovations that help solve one of the most urgent global threats (UNEP, 2014), namely ocean plastic pollution and “the wider problem of plastic use”. In the months following the pledge, it was decided that Crystal would set up and run an impact fund. The fund, which I will call “Crystal Impact Investing” (CII), was conceived as a new concept transferred from the emerging field of impact investing to “harness capital, innovation and entrepreneurship to help solve the wider problem of plastic use”.

Impact investing concerns investments in new ventures with the intention to generate social and/or environmental benefits while delivering a financial return (GIIN, 2020a). Impact investors typically invest in the form of debt or equity in new ventures that are developing products or services to address societal issues, and may target financial returns anywhere from below market to risk-adjusted market rate. Impact investing is one of the fastest growing investment classes, with impact funds managing $715 billion assets-under-management globally in 2020 (GIIN, 2020b), up from $25 billion in 2013 (JP Morgan & GIIN, 2013). This growth is largely due to the establishment and growth of independent investors, but corporations are starting to join the trend with corporate impact investing programs and funds.

The concept of impact investing emerged around a distinct field ideology which has formed through the negotiation of ideas between participants from adjacent fields, such as philanthropy, financial markets, social entrepreneurship, and policy (Hehenberger, Mair, & Metz, 2019). By 2018, the field was characterized by dominant ideas and practices that had taken root and were consequential for education and training, regulations, and governance mechanisms, thereby forming a professional impact investing logic (Moody, 2008; Hehenberger, Mair, & Metz, 2019).
Crystal offered a rich empirical context and an exemplary case to explore how a concept engrained with a certain logic is translated to a new context when the logics of the original area and the recipient context are (seemingly) incompatible. Crystal explicitly aimed to translate this model from the space of independent impact investors. As such, it became the only corporate member of the 24 members strong British Venture Capital Association’s impact investment industry, and its instigators often made references to more established independent impact funds.

4.3.2 DATA COLLECTION

I collected data from several sources: (1) participant observation which allowed for dense interaction with members through conversations and digital exchanges, (2) formal interviews, (3) internal communication such as videos and podcasts used for internal events, emails between senior management, and strategic documents and (4) external communication, such as publicly available videos and podcasts, interviews, and press releases.

In order to more deeply understand the processes of translation in-between institutional logics, I was involved as a participant-observer at CII for eight hours a day, one day a week for 14 months, from January 2019 until February 2020. This work was non-remunerated and included activities that did not influence the study’s objectives, such as categorizing the venture database, scoping the investment space of ocean plastic pollution, and analysing the financials of some of the considered investments. From March 2020, I transitioned from a participant-observer into an observer role and attended the team’s daily meetings for another 7 months, until October 2020. During my 21 months of involvement, I was able to participate in many meetings and witness many of the activities in which CII engaged during that time. Employees at Crystal were aware of my presence as a researcher and were informed that I was there to explore “how a corporation sets up and runs an impact fund”. During my time at CII, I kept a notebook in which individual and collective activities including snippets of informal
conversations were noted. The most important parts of these notes were later transcribed. In total, the transcribed notes total 232 pages of single-spaced text, including many quotes that I found relevant in light of my research question. In addition, I conducted 20 formal interviews with key informants.

Hence, two types of informants were included. I including the “internal agents” (IA) who were responsible for implementing the concept, such as the fund managers, team members, and advisors of the fund, and the “internal stakeholders” (IS) who regularly engaged with the fund team, such as managers and employees from the host department of corporate affairs, and senior managers involved from other departments. The interviews lasted between 20 and 60 minutes and were recorded and transcribed verbatim.

I collected a range of additional data in the form of various public documents such as press releases, web page printouts, videos of events where members of CII were presenting or discussing, and relevant podcasts featuring members of CII or the management team. CII granted me access to their internal database of strategic documents such as the investment committee PowerPoints, the fund’s marketing and communication plans, and the speeches for some of the attended events. Further, I was part of a mobile chat-app for the team, had access to a platform where communication was shared with the broader internal stakeholders, and participated in more than 300 meetings with both external stakeholders such as potential partners, other impact investors, potential investee, and policy makers, and internal stakeholders from within the business. As the study progressed, I kept a journal containing personal reflections and elementary interpretations of the ongoing occurrences. These often led to the emergence of further questions, which were reverted to team members in subsequent exchanges. Table 4.1 offers an overview of my data sources.
Table 4.1: Data Sources

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews with key informants</td>
<td>Formal and informal interviews with CII managers, corporate affairs managers and stakeholders within the business</td>
<td>20 interviews (5 with IAs, 15 with ISs)</td>
</tr>
<tr>
<td>Participant observation /observation</td>
<td>Participant-observer at CII for one day per week between January 2019 and February 2020, observer between March and October 2020</td>
<td>672 hours</td>
</tr>
<tr>
<td>Field notes</td>
<td>Principal investigator’s notes from participating and observing at CII</td>
<td>332 pages of notes (single spaced)</td>
</tr>
<tr>
<td>Internal communication</td>
<td>(1) Documents pertaining to investment, hiring, PR, branding, strategy, communication, etc. (2) Email communication between IAs and ISs (3) Messages, updates, and comments on the internal communication platform at Crystal (4) Messages in between CII team (5) Videos</td>
<td>8,754 pages (single spaced)*</td>
</tr>
<tr>
<td>External communication</td>
<td>(1) Press releases (2) Interviews with top management (3) CII material (4) Videos from events (5) Posts on social media channels (6) Website printouts (7) Podcasts</td>
<td>547 pages (single spaced) and 7 hours of videos and podcast material</td>
</tr>
</tbody>
</table>

(*) selection of the internal documents that were used in the data analysis

4.3.3 DATA ANALYSIS

To analyze my data, I followed a multi-step process to inductive qualitative data analysis (Corley & Gioia, 2004). In the first step, I developed an understanding of the reality of the process, making use of the various sources of data I had collected. Based on field notes, informal conversations, interviews, and internal and external documents, I constructed an event history database and a narrative summarizing the set-up and purpose of CII over time, and the perceptions and responses of the internal stakeholders.

In the second step, I corroborated my data with the literature on impact investing and venture capital to elucidate the programmatic and operational elements of the concept of impact investing. I found that the programmatic elements embedded in the concept of impact investing include: (1) the goal or intent of dual or triple bottom-line returns of, on the one hand, financial
returns equal to or above the rate of inflation, and on the other hand, environmental or social benefits – sometimes called impact returns; (2) the monitoring and measuring of these various benefits; and (3) the focus on problems or opportunities around a grand challenge or theme related to the UN’s SDGs towards which a fund or pot of money is allocated. I found evidence for these programmatic elements in my data as well as across codified materials on impact investing, such as the “core characteristics of impact investing” by one of the main membership associations of impact investors (GIIN, 2019).

Further, there are also some operational elements, especially regarding the concept of an impact fund, which include: (1) the use of portfolio management or the distributed allocation of investments towards a diverse portfolio to meet the long term financial and impact objectives while spreading the risk; (2) a patient investment horizon with a typical appropriation horizon of 10 years from the date of launch; (3) an autonomous fund entity with a partnership structure and an investment committee as decision-making body that aligns with the goal of dual or triple bottom returns; (4) a standardized investment process where investment opportunities are screened in light of the objectives. These operational elements were inducted by triangulating popular press on impact funds and academic sources on venture capital (e.g., Gompers & Lerner, 2004) with my case data.

I subsequently contrasted the programmatic and operational elements of the impact investing concept with the corporate logic as manifested in the corporate affairs department. Table 4.2 shows the results of this comparison.
Table 4.2: Professional logic of the source context of impact investing vs. corporate logic of recipient context of corporate affairs

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Impact investing (professional logic)</th>
<th>Corporate affairs (corporate logic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programmatic elements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goals</td>
<td>Environmental or social benefits and financial returns to investors</td>
<td>Operational efficiencies or reputational benefits for the corporation</td>
</tr>
<tr>
<td></td>
<td>“To come back on the notion of financial return and impact. We're all about impact, first. We are about financial liability, but we are mainly about impact. So that's what we want. But any impact can also be financial liability.” (Event, CII manager 1. 2018)</td>
<td>“We got set up in the same kind of corporate affairs department, which is essentially a communications function. Their main KPIs are around trust in the business, essentially. In making [Crystal] a force for good.” (Notes, CII manager 3, 2020)</td>
</tr>
<tr>
<td>Measuring and monitoring</td>
<td>Measuring and monitoring financial, environmental, and social benefits, nurturing businesses</td>
<td>Difficult to measure and monitor reputational benefits, little monitoring of allocations</td>
</tr>
<tr>
<td></td>
<td>“We report against, in terms of our impact, UN SDGs 12 and 14. Those are very much aligned with the plastic environmental issue. [...] When we make an investment, we work with those companies to ultimately think about how we can track and explain their impact.” (Event, CII manager 2, 2019)</td>
<td>“Do the maths to attribute... you know, a dollar of investment to a... does that equate to 5 dollars of reputational improvement and therefore customers buying more Crystal? That’s a little bit the problem with CSR isn’t it, it’s hard to quantify the output.” (CII manager 2, 2020)</td>
</tr>
<tr>
<td>Thematic focus</td>
<td>Thematic funding for fund length, focused on a grand challenge with investment potential for duration of 10 years or longer</td>
<td>Thematic funding for campaign length, focused on a fashionable grand challenge for variable length</td>
</tr>
<tr>
<td></td>
<td>“There will definitely be some financial evaluation, much more long term [...] 8 to 10 years MINIMUM [emphasis] [...] [Then] on the impact reporting, there will be things around &quot;how much has this been adopted after 3-4 years once it was launched?&quot;, &quot;What's the pick-up?&quot;, we'll try to assert some sort of quantities of &quot;how much plastic has it moved off the chain et cetera&quot;. (Interview, CII manager 1, 2018)</td>
<td>“Crystal has done environmental campaigns [...] There was a big carbon effort a decade ago. Then there was sort of a rainforest campaign and they did philanthropic work there and planted trees [...] Crystal’s ocean campaign was launched in 2017 and that was really the same time as blue planet which made the awareness starting to peak around plastics and its challenges.” (Notes, CII manager 2, 2019)</td>
</tr>
<tr>
<td>Attributes</td>
<td>Impact investing (professional logic)</td>
<td>Corporate affairs (corporate logic)</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Operational elements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Allocation management</strong></td>
<td>Managing risk by spreading investments across technologies and problem sets</td>
<td>Focused on a couple of visible philanthropic partnerships or direct eco-efficiencies</td>
</tr>
<tr>
<td></td>
<td>“From an investment standpoint, you invest into a portfolio of companies. Fundamentally, you set a strategy, I want to invest in three different categories, three stages. […] I am actively saying to myself: Where do we invest in and am I like hitting different problem sets? I am not investing into the same thing twice, understandably. […] I am like monitoring the portfolio. Portfolio management.” (Interview, CII manager 1, 2018)</td>
<td>“We realized that there were some issues in our supply chain that we didn't have the answer to and who'd be a problem. So we needed to invest and start looking at those things, as part of CII.” (Interview, CCA manager 1, 2019)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“My issue with all of these businesses is, again, having to manage expectations internally about these companies. Because all of these people internally expect these to be solutions that are happening now. And these are… These are all early stage companies coming up with ideas.” (Notes, CII manager 1, 2018)</td>
</tr>
<tr>
<td><strong>Authority and structure</strong></td>
<td>Partnership with simple hierarchy, investment committee as decision-making body</td>
<td>Complex hierarchy of business units, dispersed authority with slow decision making</td>
</tr>
<tr>
<td></td>
<td>“The fund has an investment committee, an IC, and they are responsible for making the decisions on what the fund invests in. And then there is also an advisory board.” (Interview, CII advisor 1, 2018)</td>
<td>“The management structure [at corporate affairs] is woollen and you don’t really know who is doing what.” (Notes, CII manager 3, 2019)</td>
</tr>
<tr>
<td><strong>Investment type and process</strong></td>
<td>Standardized investment process, mostly equity</td>
<td>Mostly ad hoc process for grants and partnerships</td>
</tr>
<tr>
<td></td>
<td>“We screen [ventures] and review the materials they send to us. We would then have a screening call with them. […] The ones that are more interesting, we take them further. […] Then eventually having a focus on a couple of companies that we would take to the IC where we get approval for those.” (Notes, CII manager 3, 2020)</td>
<td>“Crystal historically had done philanthropic work or some work with WWF and sponsored marine protected areas and things like that but this is the first time they sort of said “let’s do impact investment”” (Notes, CII manager 2, 2019)</td>
</tr>
</tbody>
</table>
In the third step, I used open or *in-vivo* coding to explore my data and grouped these codes together into first-order categories. I analysed the interviews, conversations, and insights from the field and looked for patterns and similarities. I focused on the translation of the form internally and at the interactions between the internal agents and the internal stakeholders.

In the fourth step, I used second order or axial coding to look for how initial codes and concepts were related to one another, using inductive and deductive thinking (Strauss and Corbin, 1994). This allowed us to group first-order themes together and to collapse them into a smaller number of second-order categories. In doing so, we iterated between the data, emerging patterns and the literature. This process of axial coding led to 12 second-order themes or conceptual categories.

In a fifth step, I grouped the second-order themes into overarching aggregate dimensions. This involved looking at the relationship between the first- and second-order themes, and combining them into a set of simpler and more parsimonious categories. This process resulted in four overarching themes: (1) adoption motivations, (2) organizational implementation of concept, (3) logic enactment, (4) incompatibility tensions.

This formed the basis for the development of a model describing the translation of a model from an origin whose logics are seemingly incompatible with the recipient logics. Figure 4.1 below represents the resulting data structure.

### 4.4 FINDINGS

Based on our analysis, I distinguish between three phases during which the concept of impact investing got translated to the corporate context. I call these phases (1) copying, (2) appropriating and (3) altering. During these three phases, distinct aspects of the concept were highlighted, and different dynamics played out. Table 4.3 shows these differences across the phases.
### Figure 4.1: Data structure

<table>
<thead>
<tr>
<th>First-Order Categories</th>
<th>Second-Order Themes</th>
<th>Overarching Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>We engage in impact investing because we want to make a difference</strong></td>
<td>Ideological</td>
<td><strong>Adoption motives</strong></td>
</tr>
<tr>
<td>We engage in impact investing because our stakeholders care about this</td>
<td>Instrumental</td>
<td></td>
</tr>
<tr>
<td>We engage in impact investing because it is the right thing to do</td>
<td>Pragmatic</td>
<td></td>
</tr>
<tr>
<td><strong>We engage in impact investing because we want to get recognition</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We engage in impact investing because we want to be known as a responsible company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We engage in impact investing because we want to get media coverage</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Programmatic:</strong> primary financial and environmental goals; monitoring and measuring returns; theory of change around ocean plastic pollution</td>
<td>Strict coupling</td>
<td></td>
</tr>
<tr>
<td><strong>Operational:</strong> standardized investment process, equity investments, hedging risk as stand-alone fund, direct line to and monthly meeting with IC as investment decision-making body</td>
<td>Loose coupling</td>
<td></td>
</tr>
<tr>
<td><strong>Programmatic:</strong> unaltered, addition of reputational goal as secondary goal</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational:</strong> organizational sponsors in investment process, indirect line to IC with additional layer of corporate senior management, IC as strategic body meeting quarterly</td>
<td>Decoupling</td>
<td></td>
</tr>
<tr>
<td><strong>Programmatic:</strong> reputational benefits and carbon offsets as primary goals, change of theme</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational:</strong> grant investments and purchase agreements, indirect line to IC, IC as advisory body with bi-yearly meetings</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Overarching Themes:**
- Ideological
- Instrumental
- Pragmatic
- Strict coupling
- Loose coupling
- Decoupling

**Adoption motives:**
- Programmatic
- Instrumental
- Pragmatic

**Source concept:**
- Coupling with source concept
### Figure 4.1: (continued)

<table>
<thead>
<tr>
<th>First-Order Categories</th>
<th>Second-Order Themes</th>
<th>Overarching Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating in the business the concept of impact</td>
<td>Introducing new logic</td>
<td>Logic enactment</td>
</tr>
<tr>
<td>Corporate impact investing as a new permanent corporate function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having impact-driven people “join” the group</td>
<td></td>
<td></td>
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<tr>
<td>Making CII a “company-wide project”</td>
<td>Attempt of hybridization</td>
<td></td>
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<tr>
<td>Adding PR activities to CII</td>
<td></td>
<td></td>
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<tr>
<td>Integrating CII into the corporate narrative</td>
<td>Morphing into dominant logic</td>
<td></td>
</tr>
<tr>
<td>Redesign new model with internal stakeholders</td>
<td></td>
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<tr>
<td>Bringing CII to the life of the Crystal customer</td>
<td></td>
<td></td>
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<tr>
<td>Bringing CII closer to the corporate campaign</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in senior management at Corporate Affairs strengthen corporate thinking</td>
<td>Conflict with dominant logic</td>
<td></td>
</tr>
<tr>
<td>Changes in the overarching campaign at Corporate Affairs lead to conflicts with CII</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We are not getting enough benefit from CII because it is too focused on ROI and impact</td>
<td>Questioning appropriateness of design</td>
<td></td>
</tr>
<tr>
<td>We should add PR and operational integration as part of CII’s objectives</td>
<td></td>
<td>Incompatibility tensions</td>
</tr>
<tr>
<td>We are not getting enough benefit from CII because impact investing is not the right concept</td>
<td>Questioning appropriateness of concept</td>
<td></td>
</tr>
<tr>
<td>We should change the focal grand challenge and re-align it with the campaigns</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Copying concept</td>
<td>Appropriating concept</td>
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</tr>
<tr>
<td><strong>Translation motive</strong></td>
<td><strong>Ideological:</strong> “It is time businesses stopped dumping harmful plastic into the sea and instead started pumping more money into innovation. […] For us, it’s part of doing the right thing.” (Article, CEO, 2018)</td>
<td><strong>Instrumental:</strong> “What are we getting out of this? The financial return is not enough, what does it add to Crystal as a responsible company?” (Notes, CCA manager 2, 2019)</td>
</tr>
<tr>
<td><strong>Purpose of translation</strong></td>
<td><strong>Introducing new logic:</strong> “It’s the whole idea of how we behave as a corporate […] making an impact in society, integrating in the business the idea of impact [investing] […] find solutions to big societal issues. It’s a new way of behaving for the company.” (Event, CII manager 1, 2018)</td>
<td><strong>Reconciling logics:</strong> “[CII] is a company-wide project accelerating transformational technologies using Crystal’s resources to solve the global plastics crisis, enhancing Crystal’s purpose and reputation” (Internal document, 2020)</td>
</tr>
<tr>
<td><strong>Organizational implementation of original concept</strong></td>
<td><strong>Strict coupling:</strong> “This isn’t philanthropy. We’re not just giving money to these companies. We do want a return on investment. We do go through a proper investment process where we appraise the business.[…] But we also have a massive question ahead: is this impactful? […] Can this drive systemic change? Can this remove, reduce plastic leaking into our ocean?” (Interview, CII manager 3, 2019)</td>
<td><strong>Loose coupling:</strong> “We are attached to comms so we have to have a communications strategy. But I think the value add is that we are set up as a proper investment fund as well. We are a professional investment fund, we are not just painting wall paper. The way we are set up, strategically, in terms of doing these deals, is proper, it’s not just “we are trying to get some good PR for this”.” (Notes, CII manager 4, 2019)</td>
</tr>
</tbody>
</table>
Figure 4.2: Grounded model of translation in-between incompatible logics

Adoption decision

Top management ideology

Perceived stakeholder fit

Perceived concept fit

Source concept (source logic)

Phase I: Copying

Conflict with dominant logic

Questioning appropriateness of design

Introducing new logic

Strict coupling with source concept

Ideological motives

Phase II: Embedding

Conflict with dominant logic

Questioning appropriateness of concept

Attempt of hybridization

Loose coupling with source concept

Instrumental motives

Phase III: Altering

Pragmatic motives

Morphing into dominant logic

Decoupling from source concept

Conflict with dominant logic

Questioning appropriateness of concept
My findings, summarized in figure 4.2, outline how a concept from an incompatible logic gets translated into a host logic. Top management ideology, perceived stakeholder fit, and perceived concept fit lead the top management to decide to adopt the concept. At launch, a widespread ideological motivation leads the corporation to strictly couple the implemented concept with the source concept. The internal agents thereby introduce a new logic into the corporation. However, when the implementation conflicts with the dominant logic, corporate leadership critically evaluates the implemented concept and require changes to the implemented concept to meet the increasingly instrumental motives. This leads to a period of appropriation, during which the internal agents try to reconcile the source concept with the recipient logic, now loosely coupling the concept with its original meaning and changing its operational elements. When the incompatibility tensions resurface, a new evaluation leads the corporate management to question the programmatic core of the source concept. This puts the internal agents into a dilemma to either keep the initiative into existence by adjusting the programmatic elements of the concept to better fit the host logic, thereby compromising the transformational potential of the concept, or resist adjustment and risk the reversal of the adoption. In my case, I find that the internal agents opt to morph the concept into the dominant logic, thereby decoupling it from its original meanings.

4.4.1 ADOPTION DECISION [AUG. 2017 – MAR. 2018]

In the case of crystal, I found three factors that, together, lead to the adoption of the concept of impact investing to address the grand challenge of ocean plastic pollution: top management ideology, perceived stakeholder fit, and perceived concept fit.

As a long-term member and soon-to-be chairman of a business-led membership organization dedicated to responsible business, the CEO of Crystal believed in awareness campaigns and the educational role his business could play in society, but he also increasingly believed that businesses should really act on societal issues.
[people] are tired of businesses sort of dusting off their CSR, putting a little bit of luster on themselves, they want to see businesses [...] act [and] being willing to act [...] not just for your own self-interest. (External communication, CEO Crystal, 2018)

Six months after the launch of the ocean health campaign, the top management at Crystal decided “to try and do something novel as a corporate” and “be part of the more solution-driven agenda” (Interview, CII manager 1, 2018). Reflecting on that decision, the CEO referred to the ideology amongst Crystal’s top managers that businesses should act on societal issues:

I always remember, right in the early days, somebody saying: “You’ve got to be able to answer the question, when your kids ask you: “When you had a chance to do something, what did you do?”” That really resonated with a lot of us at the top and it’s all fallen from there. (External communication, CEO Crystal, 2018)

When the CEO was invited to speak about the strongly resonating ocean health campaign at a global conference for business leaders and policy makers, he saw an opportunity to circulate his views on the role of business, by publicly announcing “an innovation fund anchored by our own commitment of 25 million pounds over five years, to invest in and encourage new ideas” (external communication, CEO Crystal, 2017).

The decision to act on the issue of ocean plastic pollution was widely supported by Crystal’s main stakeholders, most noticeably its employees and customers. The corporate campaign and some of the documentaries and news flashes that Crystal had released around the issue of ocean plastic pollution had strongly resonated with its customers.

A highlight [from the first months of the campaign] for me has been the feedback. If you’re in my position, you kind of drop a pebble and you listen for the echo. In millions of homes across Europe, the echo is there, and that gives a sense that [ocean plastic pollution] is the right issue for us to be tackling at this stage. (External communication, CEO Crystal, 2018)
The campaign subsequently triggered changes within the company. The company had organized dozens of beach cleanups for its employees during the first months of the campaign, and a secondary commitment to eradicate single-use plastics from its operations and supply chains by 2020 was something that every Crystal employee felt strongly about.

*With the campaign the really visible things for all Crystal employees, is that, we removed all of the water bottles and gave everybody a reusable bottle. In the consciousness of everyone, with all the coverage, and you know, all the amazing noise around the campaign. And I think it really then becomes something in the DNA of the packaging designer, product designer, logistics, and all that.* (Interview, CCA manager 3, 2019)

In the months following the announcement and decision to set up an innovation fund, the idea to translate the concept of corporate impact investing was crystallized in a number of steering group meetings between the CEO, the CFO, the fund manager and a sustainability consultancy. The latter introduced the top management to the concept of impact investing as a bold approach to act on grand challenges. This was perceived as a fit with the moral motivation of the top management. One of the leading consultants described the conversations as follows:

*It was really a dialogue that we had about, you know, “you want to help in the ocean plastics space, you don’t want just to give grants and just give the money to charities or NGOs, so you want to have a slightly more business and innovation and investment approach, so at the end of the day, what you are talking about IS impact investment.”* (Interview, consultant, 2019)

Crystal had typically done a lot of their CSR activities internally or through select and long-standing partnerships, but the concept of impact investing was novel and purposefully translated from the growing space of independent impact funds.

*So historically [Crystal] had done philanthropic work or some work with WWF and sponsored marine protected areas and things like that but this is the first time they sort of said “let’s do impact investment” and that is also a result of that being a*
new interesting area of kind of early stage investment that has been growing over the last 5 years. (Interview, CII manager 3, 2019)

This decision was followed by a long process of translation.

It was really just a very quick “I want to do this, I want it done now” […] There wasn’t all the thinking that has been developed now, you know. That was developed afterwards. (Interview, CCA manager 4, 2019)

4.4.2 COPYING CONCEPT [MAR. 2018 – AUG. 2019]

CII was officially launched in March 2018 at an oceans event for key players from policy, scientific, business and environmental NGO communities in London. There was a strong ideological motivation within Crystal to implement impact investing as “a bold new creation that will support breakthrough thinking” (event, Crystal CEO, 2018). Underpinned by this ideological motivation, Crystal opted to strictly couple its implementation of impact investing with the source concept. By strictly coupling with the source concept that was underpinned by a logic dissimilar to the corporate logic of the corporate affairs department where it resided, the internal agents were introducing a new logic into the corporation.

Impact investing for addressing grand challenges was very much driven by an ideological sense to “do the right thing” around an issue which the CEO and some of the other executives “were very concerned by” (interview, CII manager 2, 2018). While being an early corporate adopter of the impact investing concept could bring Crystal reputational benefits (Kennedy & Fiss, 2009), this was in this first period only an afterthought for the executive team.

Because there is a cynical side of this which is "this is about the brand" or this is about "just being part of it" and "trying to look good for our consumers" which is partly true, you know, there is no doubt about it, we want to be seen as a good company. [...] [But] He [CEO] is doing it for the right reasons. Just, you know, that's 25 million. The way to think about it, that's 25 million of investable cash that is Crystal’s shareholders' [money]. (Interview, CII manager 2, 2018)
As such, the coverage, additional customers or indicators of reputational gains were not mentioned in any of the investment committee presentations during this period or in the initial steering group documents leading up to the fund. Nevertheless, the adoption did involve significant effort and investment. Crystal did not only allocate three senior managers to a dedicated CII unit, supported by a personal assistant and a network of volunteers within the business, but also budgeted expenses of up to £500,000 / year for legal fees, events and content. None of this budget was meant to go to advertising Crystal’s efforts in finding solutions to this issue. As one of the fund managers later recalled:

_No one ever put a budget in for PR, from day one. There was never like a line item of “We’re going to spend loads of money on marketing this”. (Notes, CII manager 2, 2020)_

These ideological motives did not just come from the top, but also more broadly from the middle managers and staff that regularly engaged with CII. One of the volunteers expressed her motivation to be involved with CII as follows:

_I got involved with CII after seeing [Manager] do a presentation at our Tech Summit, like in the middle of his presentation he was talking about all the things that the team were doing. And I emailed him mid presentation to say this sounds amazing, I really want to get involved and help [...] [even though] it's not necessarily something that kind of sits or fits well, with the Crystal ecosystem [...] [and] it wouldn't necessarily be something we [our team] go out and look for._ (Interview, Crystal manager, 2019)

Supported by this ideological motivation, the CII unit was very much attempting to change the way of thinking and behaving within the corporation. At conferences and events, managers at CII typically called themselves “agents of change” that tried to “integrate impact [investing] and the notion of impact inside the business” (internal communication, 2018) through, for instance, an “innovators in residence” program where “start-ups become part of our group and [be] helped” (external communication, CII manager 1, 2018).
For me [it’s] the whole idea of how we behave as a corporate player. For example, what I am doing now [at CII], which is all around making an impact in society and integrating in the business the idea of impact. […] We have just gone into investing in technologies in order to find solutions to big issues, big societal issues, and it’s a new way of behaving for the business. (external communication, CII manager 1, 2019)

The CII team also saw the translation of the impact investing concept within the corporate context as something permanent, which would gradually scale to include more impact funds around different societal issues.

I think what will happen in the future, is that we will manage to create a model which can also go into other areas of ocean health - ocean health is a massive theme – and maybe also in other areas of impact investment, like water, like food. We are scaling up the fund. We want this fund to really make an impact. (external communication, CII manager 1, 2018)

To do so, CII had copied the concept of impact investing as dominant in the independent investment space in terms of its programmatic and operational characteristics. The programmatic elements included three core features.

First, CII evaluated any ventures it engaged with on their potential financial returns and environmental benefits. Both financial and environmental goals were equally present during the deal origination, deal screening and due diligence, and the fund managers regularly stressed the financial goal to impact-led start-ups or other stakeholders by arguing that “this isn’t philanthropy” or that “we are not a charity”. After a brief consideration around the use of grants, the CII team argued in their notes for the investment committee that:

Given the intention of the fund is to deliver both on impact objectives and to deliver financial returns, we consider the grant is distortive and taking equity creates better alignment. (Internal communication, 2018)

Second, these dual goals would be strictly monitored and measured. The KPIs that had been formulated around the fund were focused on these two goals. On the one hand the “impact
KPIs” included items such as “reduction in single use plastic consumption”, “awareness of ocean plastic [as a problem]”, and “capital leveraged” (internal communication, 2018). On the other hand, the financial KPI was formulated as “financial viability is a bare minimum requirement but below market returns are in scope” and later set at 5-10% IRR at the first investment committee meeting (internal communication, 2018).

*Fundamentally, this is an impact investment fund, so we are... it’s not philanthropy, we are looking for financial returns. But in addition to that, we are actually trying to quantify with each investment, you know, a kind of... In the investment case, there is a question of how that company can achieve some sort of impact against our objectives which is to reduce the amount of plastics that are leaking into our environment.* (Notes, CII manager 2, 2019)

Third, the CII team focused on problems and opportunities confined to the grand challenge of ocean plastic pollution and was due to contribute to SDG 12 and 14, “responsible consumption” and “life below water”. The team also developed and followed a *theory of change* or an underlying logic, including assumptions and causal linkages, for how and why an investment’s intervention will lead to a desired change or outcome regarding the grand challenge. For CII, this was to tackle land-based (mis)use of plastics by investing in radical solutions in the early shackles of the value chain – material innovation, responsible consumption, and circular economy – to curb ocean plastic pollution at the source.

Further, CII also strictly coupled some operational elements with the concept of an impact fund. As is typical for funds, CII was using a standardized investment approach to build out a balanced portfolio of, eventually, 25-30 start-ups at various stages across a variety of different solution areas and technologies to balance the risk.

*We think of it as a separate fund and we’re allocating it as if it’s a standalone portfolio versus the [corporate] ventures [is more strategic]...* (Notes, CII manager 3, 2019)
CII would allocate its fund over a duration of 5 years and take a patient approach to exiting the investments, “8 to 10 years [from the time of investment] MINIMUM [emphasis]” (interview, CII manager 1, 2018). CII was headed by the Crystal’s CEO, COO, CFO, and CMO, who, together, formed the investment committee of the fund. The investment committee met bi-monthly with the CII managers to discuss potential investments, as is typical at an independent fund. While the fund hung off the back of the awareness campaign that Crystal had been running, and the unit would structurally sit within the corporate affairs department, the unit’s managers reported directly into the investment committee and had their own allocated budget, much alike a “stand-alone fund”.

**Transition from ideological to instrumental motivation**

By the end of the first year and a half of operation, the CII team had engaged with more than 300 start-ups. The team had also launched a national joint investment program with the UK innovation agency and a global competition with an NGO unlocking more than £4.5 million of grant funding. It had thus been performing well on some of the KPIs set at the start of the fund and was on schedule in terms of allocating investments and building out its investment portfolio. In total, it had invested about £7.5 million in 18 start-ups and was set to reach £25 million deployment by March 2023, or in line with the foreseen £5 million deployment per year (see figure 4.3).

However, a renewed focus on the corporate logic created conflicts, eventually changing the motivation of the corporation to engage with the initiative from ideological to instrumental. A new CMO and Group Director of Corporate Affairs had joined Crystal months after the CII been established, and these new hires renewed the dominant corporate logic within the Corporate Affairs department, thereby creating stronger tensions with some of the elements embedded in the translated concept. The previous leadership at Corporate Affairs had broadly
supported the adoption of a concept which logic underpinnings deviated from the dominant corporate logic. For instance, at the group’s corporate affairs meeting in 2018, CII was termed as a “cutting edge corporate action” and the global corporate affairs department was asked to “champion [the] impact investment narrative” (internal communication, 2018). The head of department further made the argument that “people believe in brands as an effective force for change” (internal communication, CCA manager 5, 2018). This ideological motive to support the initiative had changed at the group’s corporate affairs meeting in 2019, where it was mentioned that there would be a “renewed focus on campaigns” with a “focus driven by evaluation of the input vs output as well as the broader corporate narrative and asking ourselves: “will this truly shift our reputation amongst key opinion formers and media?”” (internal communication, CCA manager 6, 2019).

The increasing conflicts between the corporate logic and the concept of impact investing led organizational members to increasingly question the model and practices that CII had been adopting. For instance, in a meeting between CII and the communications unit within Corporate Affairs around a potential new investment of CII, a senior manager argued “What are we getting out of this? The financial return is not enough, what does it add to Crystal as a responsible company?” (Notes, CCA manager 1, 2019). This culminated in the investment committee meeting of August 2019, where the CMO raised the question “Why are we doing this?”, early on in the meeting. While the senior management of the corporate affairs department had voiced some of these concerns in the months leading up to this meeting, the change in motivation was eventually joined by the CEO, who was the original endorser but could no longer ignore the concerns of his corporate affairs department. One of the CII managers later reflected:

*What am I getting from this?”, that was the perspective. It was very like... “We have given you money to do this, what is Crystal getting out of it, what is Crystal’s*
benefit?” That was my main take-away from that meeting. (notes, CII manager 3, 2020)

Figure 4.3: Cumulative deployment of the fund in first half of deployment window

<table>
<thead>
<tr>
<th>Year</th>
<th>Portfolio size (# ventures)</th>
<th>Cumulative deployment</th>
<th>Target deployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2 2018</td>
<td>6</td>
<td>£2,470,327</td>
<td>£2,500,000</td>
</tr>
<tr>
<td>H1 2019</td>
<td>8</td>
<td>£4,895,502</td>
<td>£5,000,000</td>
</tr>
<tr>
<td>H2 2019</td>
<td>18</td>
<td>£7,728,964</td>
<td>£7,500,000</td>
</tr>
<tr>
<td>H1 2020</td>
<td>21</td>
<td>£8,833,159</td>
<td>£10,000,000</td>
</tr>
<tr>
<td>H2 2020</td>
<td>21</td>
<td>£10,083,159</td>
<td>£12,500,000</td>
</tr>
</tbody>
</table>

4.4.3 APPROPRIATING CONCEPT [SEP. 2019 – FEB. 2020]

The change to a more instrumental motivation to engage with the concept of impact investing would lead to a new period of Crystal appropriating the source concept, by adding elements of the local dominant beliefs and traditions (Rovik, 2011). This meant that CII’s concept characteristics became only *loosely coupled* with the concept as formed in the source context. Internal agents now aimed to show more appropriateness with the *corporate logic* by infusing the translated concept with elements from this dominant logic.

The questioning of the design and practices by the senior management led to a more instrumental perspective towards the adoption of the concept of impact investing within the corporation. Whereas during the first period, the questions from the internal stakeholders revolved around how CII and its investees could be helped by Crystal, the conversations now focused on how CII could help Crystal and the different units. For instance, the CSR unit increasingly tried to use CII for its own supply chain efficiencies, which one of the investment
managers argued “that is not what this fund is designed to do or hasn’t been to date” (notes, CII manager 2, 2020).

*The problem for us [CII] is that we’re not doing this to, it's not strategic investment we're not trying to find... and some people think that’s what we should do, trying to find like the next plastic that can be incorporated into Crystal’s supply chain.* (interview, CII manager 3, 2019)

This more instrumental perspective was noticeable across the corporate affairs department. One director for public affairs who had been involved in the early days of the fund mentioned how he increasingly used Crystal’s investments as a way to get indoors to European politicians.

*When we started [CII], we really didn't think about it from the point of view of “How do we benefit?”. We thought about it from the point of view of, "Okay, this is great. We like this. We want to support it." [...] [now] I’m always looking for more information to, to understand what I can, what I can use [...] But that was never the point of it [initially].* (interview, CCA manager 7, 2019)

In response to this instrumental turn on CII, the internal change agents now attempted to reconcile the initiative with the corporate logic of corporate affairs.

First, the fund managers would start to talk differently about CII and position it differently within the firm. Instead of terming it a “cutting edge corporate action” that will “force change from the grass roots” (internal communication, 2018), the internal agents positioned CII as “a company-wide project” that would “integrate with the business to bring CII to life for Crystal stakeholders” (internal communication, 2020). They focused on what CII was bringing to Crystal’s customers, using the “Corporate Narrative” – the overarching vision of how Crystal wants to be perceived and where the different corporate affairs activities fit in – to position CII within Crystal.

*This is the corporate narrative, this is where we fit within the corporate narrative. This is how we’re fitting into a comms piece around the companies that make [our] business look great. Some of the companies that we are embedding into our supply*
In preparation for an investment committee meeting, the internal change agents discussed how they should frame CII in order to get “buy-in” from the investment committee. One of CII’s managers was suggesting to do “a beauty parade”. While previously, CII had always focused on what it was contributing to the companies and to the grand challenge, the internal agents now focused on what the initiative was adding to Crystal. One manager summarized this change of framing as follows:

That [document] is very much focused on companies. Again, my point is maybe we need to demonstrate how we [CII] are going to get benefits to [Crystal]. [...] [We should] always try to bring it back to the benefit it [CII] has for wider [Crystal] because that is going [to be] what they will want to know. [...] What’s our strategy around, like communicating this out [and] the benefit that this is going to have to the wider business, to [Crystal]. (notes, CII manager 3, 2019)

Second, the CII unit was now embedding its activities more within the business, and, in particular, within its host department Corporate Affairs. One of the added goals that had been formulated around CII was to “make CII a company-wide project”. To do so, CII managers started “to work closer with them [corporate affairs]” and with other departments within the business “to try and embed the companies into kind of our [Crystal] proposition […] through product offerings and bundle stuff” (notes, CII manager 2, 2019), such as linking up the corporate facilities department with one of their investees that was installing smart meters in bins to reduce overflowing bins and improve waste management and launching special offers for their “VIP” customers for some products and services of their investees. Further, the CII website was getting integrated with the website of the awareness campaign, assuming a customer-oriented look and style.
Third, CII tried to reconcile the initiative with the corporate logic by putting more emphasis on the activities that would bring reputational benefits to Crystal, “trying to build a narrative around us [CII]” (notes, CII manager 3, 2019). This was officialized at the start of 2020 when an additional goal was presented in a corporate comms document and at the investment committee, which read “enhance Crystal brand, purpose and corporate reputation and inspire action” (internal communications, 2020). The activities around this goal involved the development of a communications plan, the follow-up and monitoring of social media impressions and engagements of CII content, and an advertising campaign as part of its investments into a company that launched a freemium model of reusable paper bags paid for by advertisers as an alternative to plastic bags.

In this period, CII became more loosely coupled with the concept of impact investing as it emerged in the independent investment space. As stewards of the translation of the concept into the corporation, the internal agents tried to reconcile the demands of the corporate logic while staying true to the core programmatic elements of the source concept. During this period, reputational returns became an additional goal of the initiative, which CII managers would also try to measure and monitor, even if difficult. In preparing for the investment committee, the team members discussed:

*CII manager 3: [...] We are doing all this work here with all these different companies but bringing that back to the central point of Crystal as a corporate is doing this to be a good corporate citizen. How do we think that’s all going to come together in like a piece of comms? What is that going to look like, and how are we going to demonstrate that? [...]*

*CII manager 2: Yeah, I know, but it’s the thing, that changes why you do investments, right?*

In terms of its operational elements, CII had made several major changes. First, rather than running as a “stand-alone fund”, CII was now much more embedded within Crystal and
additional goals regarding PR and making CII a company-wide project were being reflected in the activities of the fund, including the investment process. For instance, potential start-ups were now much more originating from within the business. Further, CII changed from having a direct line to the investment committee to becoming much more part of the Corporate Affairs department and having to go through their senior management before meeting with the top management in the investment committee. Hence, an additional layer of corporate senior management was added in-between the fund managers and the investment committee, which changed the role of the investment committee and the relative independency of the fund. While it still had its own budget, the CII team now had to discuss with senior management at Corporate Affairs some of the approvals that it was going to seek with the investment committee. This also changed the frequency and the role of the investment committee, which now met on a quarterly basis and acted much more as a strategic or advisory body.

The above changes to the model were within the boundaries of the impact investing concept. Apart from the additional expectations regarding the reputational benefits for Crystal, the programmatic elements of the source concept had not been changed.

**Transition from instrumental to pragmatic motivations**

During this second period, the CII unit had engaged with 150 start-ups and committed to five more investments. The unit had embedded its activities within communications, CSR and supply chain, and received more press coverage and social media impressions. CII was on schedule in terms of building out its investment portfolio, and on track to deliver on its environmental and financial goals. In total, it had invested about £10 million in 21 start-ups, in line with the foreseen £5 million deployment per year (see figure 4.3). At this point, CII managers estimated to have 14% return on the allocated money, and a reputable sustainability
consultancy which CII had been engaging with around an impact assessment for its portfolio, had expressed positive expectations about the environmental impact of CII.

Around February 2020, new conflicts emerged. A few months earlier, the corporate affairs department had decided to cool down their ocean awareness campaign and start a new awareness campaign around Crystal becoming carbon net zero. This campaign had launched in February 2020 and was gradually going to move the ocean health awareness campaign to the background. In the eyes of the corporate affairs management, In line with the corporate logic in corporate affairs to run campaigns for two to four years long, Crystal’s executive management increasingly wanted the fund to change the issue it was focusing on, from ocean plastic pollution to global warming, as you would do with the units or activities surrounding a campaign. However, CII now had “21 companies that we promised the world to, saying we are [Crystal]” and a network of volunteers within the business. It had built commitments to these actors in terms of being a committed fund that would consider joining any follow-on rounds, and “We [Crystal] made the commitment to deploy 25 million pounds [in ocean plastic] and if they [Crystal] reneged on that that would be pretty bad. […] the press would pick up on that and say “Why has [Crystal] stopped doing it?” (notes, CII manager 3, 2020).

Further, the CII model was still not considered appropriate in light of the corporate logic. The leadership considered CII as “the strange bird in the breed” and CII managers would often lament that “the corporate doesn’t understand this”. While CII had added the additional goals of reputational benefits and supply chain solutions to the translated concept, this had not led to satisfying results as perceived by the corporate logic. Despite working more closely with the communications team at Corporate Affairs and being more active on social media, CII was “clearly not landing the comms”. In a mail to the senior managers of the CII team, the director of Corporate Affairs concluded: “PR, we know, is hard to get for CII” (internal communications, CCA manager 6, 2020). The person responsible for CII communications
affirmed in a meeting that “it’s hard because, where are they going to talk about who’s investing in them?” (notes, CCA manager 9, 2019). Likewise, the attempt to source more start-ups that would fit into the value chain of Crystal was a difficult turn as well, as making impact investments in solutions that could be plugged into the value chain of Crystal to reduce its plastic usage was not easy and could further jeopardize CII’s PR potential.

Should all of these companies actually be investments that we can really do something with? But no, that takes you back to the like the logic of our… Our pipeline isn’t good enough to support that, and what are we going to do to change [that]… We just haven’t seen enough [value chain solutions]… And it doesn’t really land very well. Crystal… like any other business around the world is doing stuff to solve its own plastics problem. So hasn’t got the same kind of [PR value]. (Notes, CII manager 2, 2020)

In the beginning of March 2020, another investment committee set the end of this second period. The CEO acknowledged that CII should “not be too far from the mothership” and was in favour of the idea that it should integrate with Crystal’s net zero carbon campaign. Further, it was also made clear that CII should consider moving away from the fund-type of model, as one of the CII managers entrusted right after the meeting: “[CEO] does not expect this to bring returns” (Notes, CII manager 1, 2020). The executive team thus started questioning the programmatic core of the concept. This led to a new period where the initiative was fundamentally changed and morphed into the corporate logic, thereby decoupling it from the original concept.

4.4.4 ALTERING CONCEPT [MAR. 2020 – NOV. 2020]

This third period was characterized by dominant pragmatic motives of Crystal’s internal stakeholders in engaging with impact investing. In response to this pragmatic frame, the internal change agents gradually let go of the impact investing concept as formed in its original area, morphing its programmatic and operational elements to align with the dominant corporate logic.
Senior and middle management across the business engaged much more *pragmatically* with CII. For instance, CII’s operational budget got halved for its third year and it was decided that both follow-on and new investments had been paused. While this was partially the result of the global COVID-19 epidemic, CII managers mentioned in a meeting that “it’s not a liquidity [problem], it’s not a cash thing” (notes, CII manager 2, 2020), but that higher management within corporate affairs was taking this crisis as an opportunity to “nick our money” (notes, CII manager 4, 2020).

In a meeting between the CSR unit responsible for making sure Crystal hit its net zero carbon target by 2030, the director of the CSR unit suggested to move the fund away from impact investing and invest in carbon sinks to offset Crystal’s carbon emissions, as that would give a direct benefit to the business if prices were going to rise.

> *I think this is something that [CEO] is very keen on because he keeps asking me. [...] Where is the possibility of an investment now in some sink that could save us money in the long term and ensure that we have that availability of sinks? And it might not be like the model of CII because that is investing in other businesses. Because if we start investing even half of that amount of money, [then] over the next 10 years, we will have that availability, that’s ours. That’s going to be the biggest opportunity for us to reach our net zero target. So, potentially looking at expanding the scope of [CII]...* (Notes, CCA manager 2, 2020)

This pragmatic turn of the business towards CII, had put its existence at risk.

> “We are fighting for our existence here right now. Like, this fund could easily just stop.” (Notes, CII manager 2, 2020)

The internal agents were faced with a dilemma. On the one hand, the internal agents could resist adjusting the core programmatic elements of the implemented concept. While this option would keep the coupling with the source concept, it would also risk the reversal of the adoption or for the unit to become irrelevant in the business, and in either case compromise the careers of the internal agents at Crystal. On the other hand, the internal agents could try to keep the
initiative into existence by adjusting the programmatic elements of the concept to better fit the host logic, thereby allowing decoupling with the source concept. One of the managers expressed this dilemma and his position as follows:

_I don’t really want to work on something that just really got no value. Yeah, we are adding value to the companies in a sense, yeah, but like if you are working for a company, and you aren’t really adding any value to it than what … And you are working very hard, it’s like... What is the point of doing it? So we need to get to a position where we are actually adding value to the company._ (Notes, CII manager 3, 2020)

The internal agents eventually realized that “[CII] in what the current format is, is dead” (notes, CII manager 3, 2020), and opted to _alter the implemented concept to align with the dominant logic_. First, in order to remain “relevant” and “alive” as a unit, they decided to move closer to the new campaign, thereby gradually changing the thematic focus of the fund.

_If the [old] campaign dies, which it looks like it is going to, and that’s not so consumer kind of oriented anymore, that’s not what is being pushed out, we lose our attachment to like the trust angle of it, and it’s basically we are just making investments into companies for the sake of that […], it becomes not a PR exercise but it’s just a… we are just investing into companies and hoping they do well, so if you are thinking strategically about this, it makes sense for us to think about how we support [carbon] zero in whatever capacity that is._ (Notes, CII manager 3, 2020)

The fund managers subsequently researched the space of carbon capture, storage and sinks, and using their existing network to get hold of this new space, thereby showing “that we are still, like helping that [ocean health] campaign, and we are now tied to this new [net carbon zero] campaign” (notes, CII manager 3, 2020).

Second, the CII unit started to question whether the goal of double-bottom line returns would still be the right approach to move forward. It was increasingly recognized that the programmatic elements of the concept of impact investing were not really what the internal
agents were expecting from CII, and the addition of PR would always involve “an editorial challenge” (notes, CII manager 2, 2020).

Impact investing in a corporate [...] I just don’t think it ever would work. I mean, we have proven that it doesn’t work. [...] This whole thing has proven that it’s not good. We have not been asked once to return, to go and show what the current value of our portfolio is, or when are we getting any financial returns. [...] [Crystal] doesn’t give a crap about the return of these businesses. They don’t care at all. No one is coming... There is no reporting that we have to do about like financials, there is nothing really. And also, it seems like a very expensive way of doing PR. It is. (Notes, CII manager 3, 2020)

Instead, switching the objectives to something that is much more well-known by the corporation was considered, such as providing philanthropic investments, with outcomes that tie into the dominant corporate logic at the corporate affairs department, arguing “then [internal] people are going to get it as well” (notes, CII manager 2, 2020).

Third, the CII unit redesigned the implemented concept together with the internal stakeholders. The CII team would set up various meetings with senior managers within corporate affairs, to a point where one of the fund managers noticed: “it’s the first time that this has all come together under one umbrella and people are working together” (notes, CII manager 2, 2020). In a meeting between the CSR unit and CII, discussions revolved around how the concept could be changed:

The whole point of [impact investing is that] we have been trying to fund things that can be commercially sustainable and can scale naturally as opposed to require an ongoing investment from however it’s funded from but it [carbon sinks] doesn’t necessarily lend itself to the same type of funding. Not to say you can’t, you can’t reallocate the funding to different ways of doing it. It’s just, this was like venture capital, invest in start-ups who are doing something innovative to try and solve that problem. (Notes, CII manager 2, 2020)
In this third period, the programmatic elements of the concept were changed, eventually decoupling the implementation from the original meaning of the concept. First, CII was moving towards a model where reputational benefits and carbon offsets would be the primary goals of the unit, operating through grant investments and purchase agreements. Hence, the environmental benefits would still be part of the assessment but only as a secondary goal, while the financial returns would not be applicable. Furthermore, the focus of the fund had switched from the ocean plastic pollution to the carbon emissions issue. The change in mandate meant a complete overhaul of the investment fund, as the built-up partnerships and connections in the field needed to be redeveloped, credibility in and knowledge of the field had to be regained, and the investment criteria had to be rethought. This new space was “very different from what we currently invest in and said we would do” (notes, CII manager 3, 2020) and such change would be unthinkable for a typical impact fund, or a typical fund in general.

*If you raised a fund, you have been given the cycle at the time to invest in your remit.*

*You wouldn’t just have that changed, in the middle.* (Notes, CII manager 3, 2020)

In a conversation with a carbon capture technology company, the fund managers mentioned that they were considering the use of the CII funds towards “buying carbon certificates” while acknowledging that, compared to impact investing, investing in return for carbon certificates “is a different type of [concept]” (notes, CII manager 2, 2020).

Operational changes also continued to take place. CII managers now only had bi-yearly meetings with the investment committee, leading to delays in the funding of its investees. The investment committee became much more symbolic, as the meetings were only held to “approve”, rather than discuss investments. Instead, the discussions were held between the executive and directors of corporate affairs and the CII managers.

Between April 2020 and September 2020, CII had paused both new and follow-on investments and modified the programmatic elements of the implemented concept. In
September 2020, the director of corporate affairs mentioned that CII would continue its functioning with this adjusted concept, ending the process of translation in-between incompatible logics from strict coupling with the introduction of a new logic to decoupling and the morphing into the corporate logic.

4.5 DISCUSSION

I began with the ambition to shed light on a type of adoption that has only received little attention in the literature – the translation of a concept across incompatible logics. To do so, I conducted an in-depth, inductive single case study of the implementation of impact investing at Crystal, a concept that emanated from the professional investment logic with its roots in philanthropy, social entrepreneurship and financial markets. My case analysis and model allow me to present three contributions at the intersection of research on institutional translation, organizational adoption of practices and ideas, and grand challenges.

4.5.1 CONTRIBUTION TO INSTITUTIONAL TRANSLATION

Translation studies have shed light on the implementation of ideas, practices, or models from source to recipient contexts (Czarniawska & Sevon, 1996; Sahlin & Wedlin, 2008). While translation studies have typically looked at the implementation process of concepts in-between contexts with one central or compatible logics, I induct a translation process of an original area into a recipient context, where the source and the recipient logics are incompatible.

First, I find that the translation of a concept across incompatible logics is initially characterized by strict coupling, as the original concept is typically adopted out of the ambition to introduce change to the recipient context, rather than change the practice or idea (Gondo & Amis, 2013). However, as the motivation of the adopting organization to engage with the implemented concept changes from ideological to instrumental, the poor compatibility of the original concept and the dominant host logic increasingly surfaces, leading internal agents to
implement operational adjustments while keeping the programmatic core. When these changes do not fulfil the expectations stemming from the instrumental motivations, the corporate motivation to engage with the concept switched from instrumental to pragmatic when new conflicts emerge. The internal agents are faced with a dilemma to either keep the concept into existence by adjusting the programmatic elements to better fit the host logic or resist adjustment and risk the reversal of the implementation. In the case of Crystal, the change agents resorted to modifying the programmatic elements of the concept to better fit the host logic, thereby decoupling the translated concept from the original one but increasing its chances of survival.

Second, I induct a translation process of concepts in between mutually incompatible logics and show how the essence of concepts can change during such translation. Serving as a meta-template across different contexts, a central logic or largely compatible logics will supply translation processes across space and time with centrality in terms of ends and a degree of scope in terms of means. Not surprisingly, translation studies typically refer to “imitating practices and ideas” (Sahlin & Wedlin, 2008) and consider translation as “an editing process” (Sahlin-Andersson, 1996). This study shows that, in the case of translation in-between contexts with incompatible logics, this type of operational edits form part of the translation process but the eventual fit of the idea is enabled through a change in the programmatic core in response to persistent incompatibility conflicts between the programmatic core of the idea and the main beliefs of the recipient context. The observed process differs from the processes found in previous research, where this type of translation either led to a transformational impact on the recipient context (Smets, Morris, & Greenwood, 2012), or to the reversal of the translation over time, leading adopting organizations back to business-as-usual (Wright & Nyberg, 2017). I argue that the observed process in the case of Crystal poses a third – and perhaps more frequently occurring – middle ground, where the concept does have longevity but in a very different format than its original meaning. With its emphasis on empirical differences in-
between contexts that adhere to the same or compatible institutional logics, Scandinavian institutionalism perhaps overstates the importance of adjustments in the operational elements of an idea or in the way it is framed during implementation.

4.5.2 CONTRIBUTION TO ORGANIZATIONAL ADOPTION OF PRACTICES AND IDEAS

A large body of management research has studied the adoption decision and diffusion of practices and ideas (e.g. Abrahamson, 1991; Mol & Birkinshaw, 2009; Ansari, Fiss, & Zajac, 2010). My study contributes in two ways to this literature stream.

First, I demonstrate that the ideological motives of top management to contribute to a certain issue may also play a role in the adoption of new practices and ideas. This complements previous research that has argued that new practices and ideas are typically adopted for economic or technical benefits – by a set of rational accounts – or for social benefits or due to social pressures – by a set of social accounts (Ansari, Fiss, & Zajac, 2010; Kennedy & Fiss, 2009). The ideological motives that I inducted in this study are more pro-social or “the desire to benefit others or expend effort out of concern for others” (Bolino & Grant, 2016) and thus differ from social motivations as conceptualized by previous studies, which revolve around adherence to social norms or receiving social prestige in the adoption of practices or ideas. Previous mentions of both social and economic accounts thus tie into an instrumental view of adoption, either through reaching legitimacy thresholds, gaining reputational advantages, or generating direct economic benefits. With the advent of social enterprises (Zahra, Gedajlovic, Neubaum, & Shulman, 2009) and social intra- and entrepreneurs (Hemingway, 2005; Fauchart & Gruber, 2011), I suggest that ideological, prosocial motivations play an increasingly important role in adoption. Following such motivation, firms adopt practices and ideas to instigate social and environmental betterment as an end in itself out of the conviction to ‘do the right thing’ rather than for instrumental reasons (Davis, Schoorman, & Donaldson, 1997).
Second, I show that the motivations to engage with a certain concept change over time within the adopting organization and that this affects how the idea gets implemented. The literature on the adoption process of practices and ideas has typically looked at the initial adoption decision while implicitly assuming that an organization’s adoption motivation remains the same after the adoption decision. Our understanding of what happens within organizations when new practices and ideas are adopted remains in a surprisingly nascent state (exceptions include studies on translation, or Gondo & Amis, 2013; Canato, Ravasi, & Phillips, 2013). I show that an early adopter’s motivation to engage with an implemented idea changes over time, and that this affects how the idea is being implemented. Further, I find that, when the ideological motivation to engage with a new concept is prevalent, an adopting organization tends to put the concept into use relatively unchanged. However, as the main motivation for the company to engage with the new practice or idea changes to instrumental and eventually pragmatic, the idea gets increasingly adjusted to fit the new context, gradually moving from high to low “fidelity” (Ansari, Fiss, & Zajac, 2010).

4.5.3 CONTRIBUTION TO GRAND CHALLENGES AND BUSINESS AND THE NATURAL ENVIRONMENT

My study contributes to the literature on grand challenges and business and the natural environment, by illuminating the adoption and implementation of the concept of impact investing into a corporate context. I find that organizations may adopt such bold ideas or less conventional approaches to tackling grand challenges as the result of top management ideology, combined with a perceived stakeholder fit. Business leaders that want to take a public stance on socially or environmentally contentious issues may then decide to allocate resources to concepts from dissimilar contexts, such as corporate impact investing, as part of an act of corporate or CEO activism (Hambrick & Wowak, 2019). I argue that this top management ideological support is necessary to maintain the dissimilar logic elements of the concept, and
show that initiatives may eventually morph into the corporate logic when the ideological motivation has faded.

Work in the field of business and the natural environment has highlighted the continuous tensions and trade-offs that result from the opposing demands of social and financial corporate performance (Margolis & Walsh, 2003), and that corporate social initiatives and practices risk being reversed (Wright & Nyberg, 2017). While I found similar tensions and trade-offs that affected the translation of an idea to address grand challenges, the tensions did not lead to the reversal of the initiative, but rather a modification of the essence of the concept.

4.6 CONCLUSION

Surprisingly, scholars have paid relatively little attention to the transfer of new ideas, practices, and models across contexts that adhere to incompatible logics. It is a kind of translation that will become increasingly important as, in the face of the aggravating state of many of the grand challenges that affect our society, organizations look beyond the socio-cognitive boundaries of their dominant logic or main organizational field for ideas to enable positive change. Because of their potential transformative capacity, but also because of the difficulty inherent in implementing these ideas, it is important to understand how such translations across incompatible logics evolve over time. While much remains to be done, I believe this study constitutes an important step in building a fuller understanding of these complexities, and I hope that others will build on, extend, and refine this work to shed additional light on this kind of translation.


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