JÖNKÖPING UNIVERSITY
Jönköping International Business School

Doctoral Thesis

Control in Hybrid Organisations

A Study of Board and Management Practices

Joshua Maine

Jönköping University
Jönköping International Business School
JIBS Dissertation Series No. 169 • 2025

JÖNKÖPING UNIVERSITY
Jönköping International Business School

Doctoral Thesis

Control in Hybrid Organisations

A Study of Board and Management Practices

Joshua Maine

Jönköping University
Jönköping International Business School
JIBS Dissertation Series No. 169 • 2025

Doctoral Thesis in Business Administration

Control in Hybrid Organisations: A Study of Board and Management Practices
JIBS Dissertation Series No. 169

Published by
Jönköping International Business School, Jönköping University
P.O. Box 1026
SE-551 11 Jönköping
Tel. +46 36 10 10 00
www.ju.se

Printed by Stema Specialtryck AB, 2025

Trycksak
3041 0234

ISSN 1403-0470
ISBN 978-91-7914-054-0 (Printed version)
ISBN 978-91-7914-055-7 (Online version)

Acknowledgements

I want to express my deepest gratitude to everyone who has supported and guided me throughout this PhD journey. In particular, I owe an immense appreciation to my supervisors, Professor Timur Uman, Assistant Professor Emilia Florin-Samuelsson, and Professor Ruth Aguilera, for their unwavering guidance, insightful feedback, and continuous encouragement. Your expertise and mentorship have not only shaped this dissertation but have also been instrumental in my personal and professional growth.

Timur, your steadfast support, which began during my master's education and has continued throughout my PhD journey, has been invaluable. Your mentorship has provided a firm foundation, guiding me through challenges and milestones. I appreciate the balance you brought between critical feedback and encouragement, which has been crucial to my development. Emilia, your calm and thoughtful approach and meticulous attention to detail have been essential to maintaining focus and clarity throughout this dissertation. Your insights have sharpened my thinking, and I am sincerely grateful for your support. Ruth, though our interactions were less frequent, your expertise and constructive feedback have been impactful. I sincerely thank you for your role in shaping this work.

I thank Associate Professor Anna Thomasson for her stimulating and thought-provoking discussion during my final seminar. Your insights have meaningfully shaped the development of this dissertation, and I genuinely appreciate the time and effort you dedicated to our conversation. I also sincerely thank the scholars who attended my presentations and provided constructive feedback during various conferences and seminars. While our interactions may have been brief, your unique perspectives have undoubtedly contributed to refining the clarity and depth of this research.

To the 4th-floor accounting group, thank you for fostering an environment of camaraderie, support, and intellectual exchange. Your insights and encouragement have enriched this journey in countless ways. Whether through thoughtful discussions or moments of levity, your contributions have been significant. I am grateful for the sense of community you have created and for the privilege of working alongside such dedicated and generous colleagues. A special thanks to Mattias Sandgren, with whom I had the unique experience of being interviewed for this role on the same day, starting on the same day, and now finishing just a month apart. Sharing the experience with you has been a pleasure; we did it, buddy!

To my wife, Linnea, no words can fully capture the depth of my appreciation. This journey has not been without its challenges, and the sacrifices we have

made together have been significant. Balancing our careers while raising two young children has required resilience, understanding, and mutual commitment. Your support and patience have been the cornerstone of this journey, and I am thankful for everything we have endured and accomplished together.

To my daughters, Florence and Delilah, thank you for being my constant source of joy and inspiration—even if you sometimes bring me to my knees. You have taught me many things, but perhaps the most valuable lesson has been the finite nature of time and the importance of using it wisely—a skill that proved essential for completing this PhD. Your boundless energy and enthusiasm have been a reminder to make every moment count, and your laughter and smiles have been the perfect antidote to even the most stressful days. I dedicate this work to you with all my love.

Abstract

This dissertation examines how the hybridity of municipal corporations (MCs) influences their organisational control and accountability structures. By addressing the challenges and opportunities arising from the interaction of multiple institutional logics, it explores how hybrid organisations navigate tensions between economic, social, and environmental objectives in complex organisational environments. The dissertation comprises three interconnected studies that collectively address the research question: *How does the hybridity of MCs shape organisational control and accountability structures?*

The first study presents a systematic literature review of MCs, mapping key thematic areas and contributing to the conceptual development of MCs across varying national contexts, highlighting their dual pressures to balance financial performance with public service delivery. Building on this foundation, the second study introduces the concept of ambidextrous sustainability to assess how top managers in MCs balance short-term operational demands with long-term sustainability goals. It demonstrates how organisational structures moderate the relationship between sustainability strategies and performance outcomes, illustrating the dynamic interplay between hybridity and organisational results. Extending this exploration, the third study investigates accountability at the strategic apex of MCs, focusing on how key actors reconcile tensions between financial, social, and environmental accountabilities. This study identifies processes that align diverse stakeholder demands and institutional expectations, highlighting the discretionary role of apex actors in shaping accountability practices.

Together, these studies contribute to management control, public management, and organisational hybridity streams of research by offering empirical insights into how hybrid organisations balance accountability regimes and reconcile institutional tensions. The findings also extend sustainability research by demonstrating how ambidextrous sustainability enables MCs to align social, financial, and environmental performance within complex operational contexts. Additionally, this dissertation advances management control research in hybrid organisations by examining how control structures respond to public accountability demands and commercially oriented pressures. It illustrates the pivotal role of strategic apex actors in navigating organisational tensions and maintaining flexible control systems capable of addressing multifaceted institutional requirements.

The aggregated findings reveal that the hybridity of MCs presents both challenges and opportunities in achieving alignment between public service mandates and commercially driven objectives. By synthesising insights from

management control, public management, and organisational hybridity streams, this dissertation provides valuable implications for scholars, policymakers, and practitioners seeking to enhance accountability and performance in hybrid organisations.

List of Content

List of Papers

Chapter 1. Introduction

This introductory chapter sets the stage for the dissertation by providing an overview of its purpose and structure. It begins by contextualising the research background, focusing on organisational hybridity and its implications for organisational control. It then outlines the overarching research question and objectives, and briefly summarises the approach taken to answer those questions. Finally, the chapter presents the structure of the dissertation, providing a roadmap that traces the progression from the theoretical foundations to the empirical findings and their implications. Overall, it establishes the narrative and rationale for the dissertation and prepares the reader for the exploration and analysis that follows.

1.1. Background

Organisational hybridity refers to "the interaction among public, private and civil society via distinct modes of ownership, parallel but often competing institutional logics, diverse funding bases, and various forms of social and institutional control" (Vakkuri et al., 2021, p. 246). With more organisations operating at the intersection of the public and private sectors (Collin et al., 2009), hybridity has received growing attention as scholars seek to understand how these organisations balance conflicting demands and achieve their objectives (Grossi et al., 2020). Hybrid organisations that combine public service mandates with commercial practices have emerged as a strategic response to the complex demands of modern society (Mair et al., 2015; Battilana & Lee, 2014).

Navigating the complex intersection of public and private modes of operation requires hybrid organisations to balance competing objectives through their control structures and funding mechanisms. This balancing act forces hybrid organisations to navigate multiple institutional logics, creating an environment where social and commercial objectives must be pursued in parallel (Greenwood et al., 2011). By integrating these institutional logics, hybrid organisations gain the flexibility to respond to diverse community needs and stakeholder demands (Besharov & Smith, 2014; Karré, 2020). Balancing these dual objectives allows hybrids to navigate cross-sectoral pressures and effectively address the challenge of maintaining financial viability while pursuing social goals (Smith & Lewis, 2011).

Consequently, many hybrid organisations must be adaptive to respond to market dynamics and social responsibilities (Brandsen & Karré, 2011; Reay & Hinings, 2009). This flexibility indicates the critical role of hybrid

organisations in driving public service innovation while incorporating private sector efficiencies (Grossi et al., 2017a; Haigh et al., 2015).

Municipal corporations (MCs) are an example of hybrid organisations, uniquely positioned at the intersection of public service obligations and operational autonomy (Brunsson & Olsen., 2018). Operating within a framework shaped by multiple, often conflicting, institutional logics, MCs must balance the demands of public accountability with commercial efficiencies (Thomasson, 2020; Collin et al., 2009). Their core mandate is to provide essential public services and respond to community needs, where public accountability and societal impact are paramount (Bergh & Erlingsson, 2024). MCs hybridity enables them to integrate public mandates with market-responsive adaptability. It sets them apart from traditional public sector organisations and highlights the tensions and opportunities inherent in their dual role (Grossi & Thomasson, 2015; Thomasson, 2020).

MCs further exemplify hybridity by integrating diverse funding streams, maintaining strategic autonomy, and adopting governance frameworks that balance public oversight with operational efficiency (Brunson & Olsen, 2018). A key challenge for MCs is managing the inherent tensions that arise from institutional plurality, as they must respond to diverse stakeholder demands while upholding both public service obligations and financial objectives (Grossi & Thomasson, 2015). These tensions often manifest in the coexistence of multiple control and accountability structures, creating complex and sometimes fragmented accountability systems (Willems & Van Dooren, 2016). As such, sustainable and long-term effectiveness of MCs depend on their ability to navigate these overlapping structures and maintain productive relationships with oversight bodies (Dubnick, 2005).

In navigating these tensions, MCs must balance meeting immediate operational demands and addressing longer-term societal goals, requiring the alignment of economic, social, and environmental logics (Karré, 2020; Mihalache et al., 2014). While hybridity provides MCs with the structural flexibility to address a wide range of mandates, it also poses significant challenges in reconciling public accountability with commercial efficiency in their organisational control systems. Consequently, balancing the dual pressures associated with public and private logic is critical to ensuring the successful delivery of public services.

This balancing act highlights how MCs epitomise the complexity of hybrid organisations, as they continuously navigate the integration of public and private logics within diverse contexts and organisational dynamics. Their role underscores that while they strive to meet contemporary demands for sustainable and community-focused outcomes, the extent of their success

depends largely on their specific operating environments and the dynamic interplay of institutional logics (Grossi et al., 2022).

1.2. Problematisation

While the literature recognises both the potential benefits and challenges associated with hybridity in organisations, the complexities it introduces are far from fully understood (Vakkuri et al., 2021). Hybridity has become increasingly prominent phenomena in contemporary organisational structures (Grossi et al., 2022). Characterising the convergence of public, private, and social mandates in organisations, hybridity creates a complex environment in which traditional approaches to organisational control and accountability are often insufficient to manage competing demands (Smith & Lewis, 2011). Vakkuri and Johanson (2020) note that hybrid organisations struggle with inherent ambiguities in their goals due to overlapping public and private sector influences, often blurring the lines between economic efficiency and social impact. This duality means that hybrid organisations have to manage multiple objectives, which challenges the coherence of their control frameworks. While hybridity enables organisations to pursue diverse objectives, it also introduces competing pressures that complicate the design, implementation, and effectiveness of their control structure (Pache & Santos, 2013).

In hybrid organisations, the coexistence of multiple logics generates theoretical and operational tensions that are deeply embedded in their practices (Grossi & Thomasson, 2015). These tensions emerge as organisational challenges when attempting to build consensus among individual actors who must reconcile their personal values with the broader organisational mission, thereby accentuating the impact of hybridity on internal dynamics (Hyndman & McConville, 2018). Brummel (2023) emphasises that hybrid organisations, such as MCs, require multi-stakeholder accountability frameworks, noting that reconciling different stakeholder expectations remains a persistent challenge. Balancing different institutional demands with different goals and accountability expectations requires hybrid organisations to implement both formal and informal controls in line with their unique organisational characteristics (Rana & Hoque, 2020). Formal controls, such as performance metrics, budgets, and accountability frameworks, often clash with informal elements, including unwritten norms, traditions, and relational accountability mechanisms (Chenhall, 2003; Cardinal et al., 2004). This dual reliance on contrasting forms of control presents an ongoing challenge to achieving cohesion within organisational processes, highlighting the complex demands on control practices in hybrid settings (Mihalache et al., 2014). Recent studies by Grossi and Reichard (2008) and Grossi et al. (2022)

further highlight these challenges, demonstrating how hybrids must constantly adapt their control practices to remain accountable while meeting complex operational demands. In the case of MCs, these control structures are embedded in the organisational culture and institutional fabric, which are shaped by their hybrid nature (Johanson & Vakkuri, 2017; Skelcher & Smith, 2015).

In addition, the external control structures of MCs add another layer of complexity. For example, the political composition of MC boards introduces unique institutional and external pressures that directly influence control practices and organisational outcomes (Vakkuri et al., 2021). Situated within these intersecting logics, hybrid organisations face the dual challenge of maintaining accountability while aligning with often conflicting strategic objectives (Mair et al., 2015). This tension highlights how control and accountability structures in hybrid organisations function as dynamic sites of negotiation, where multiple logics generate both external pressures and internal conflicts that shape organisational outcomes (Smith & Lewis, 2011). For example, governance in these organisations requires a flexible approach to managing the inherent conflicts between political imperatives and market-driven objectives, as well as mechanisms to address accountability gaps and balance political oversight with market-oriented demands (Grossi & Thomasson, 2015; Vining & Weimer, 2020). The dynamic nature of governance in these organisations highlights the need for control mechanisms that balance competing commitments to financial viability, social responsibility, and environmental stewardship (Vakkuri et al., 2021).

These governance challenges are closely linked to MCs' control systems, which must continually adapt to balance the competing pressures of hybridity (Grossi et al., 2022). The coexistence of social, economic, and environmental demands presents MCs with ongoing difficulties in aligning control practices with diverse and sometimes conflicting objectives (Armstrong & Grobbelaar, 2023). The need to balance these competing logics reflects the dynamic and complex influence of hybridity, which requires control practices that respond to diverse pressures from different institutional logics (Grossi & Thomasson, 2015). Pache and Santos (2013) highlight that this constant balancing act in hybrid organisations often creates tensions that require adaptive accountability systems, reflecting the complex interplay between control and institutional logics. Consequently, achieving alignment between organisational control practices and organisational objectives remains a persistent challenge, with direct implications for the effectiveness of these organisations in achieving their goals (Grossi & Thomasson, 2015).

Given the evolving complexity of hybrid organisations, it is increasingly important to understand how hybridity shapes control structures and practices,

as these organisations play a crucial role in delivering public services while responding to the needs of diverse and often competing stakeholders (Skelcher & Smith, 2015). Their dual mandate of balancing commercial objectives with public accountability requires a closer examination of how their hybrid nature affects decision-making, governance, and operational frameworks (Grossi et al., 2022). The tension between formal and informal control is particularly pronounced in hybrids that must demonstrate accountability informed by public and private sector logic (Grossi & Thomasson, 2015). Control structures in these organisations function as oversight mechanisms and embedded elements of the institutional framework, reflecting the different logics that guide their activities (Rana & Hoque, 2020). Therefore, hybrid environments require adaptive control practices that address both immediate operational demands and longer-term strategic alignment with organisational goals (Pache & Santos, 2013).

Despite increasing scholarly attention to hybrid organisations, there is a paucity of research examining the specific mechanisms and strategies through which these entities navigate the complexities of multiple institutional logics, particularly in the area of organisational control (Güngördü-Arıoğlu & Tunçalp, 2024).

This need for more insight is particularly evident in the case of MCs, which, as hybrid entities, exemplify control and accountability complexities arising from their dual public and private mandates. The challenges MCs face in aligning organisational control practices with their objectives underscores the need for further research into the interplay between hybridity and organisational control and accountability structures (Vakkuri & Johanson, 2020). Recent research emphasises the need for MCs to reconcile public sector accountability and private sector efficiency in their control frameworks, creating complex governance and control challenges that affect organisational coherence (Erlingsson et al., 2018). While, Armstrong and Grobbelaar (2023) highlight the importance of strategic coherence, arguing that aligning organisational goals with hybrid demands is critical but often elusive due to different stakeholder pressures. Similarly, Vakkuri and Johanson (2020) argue that the ambiguity of public-private boundaries in hybrid organisations, such as MCs, complicates the development of effective accountability frameworks due to the overlapping and sometimes conflicting expectations of different stakeholders. These complexities places control and accountability in a broader context that highlights the need for further research into how hybrids navigate these intersecting pressures (Denis et al., 2015; Skelcher & Smith, 2015; Grossi et al., 2022).

This dissertation situates MCs as an empirical object and context to address these emerging themes. MCs exemplify the complexities and tensions

associated with hybridity, particularly regarding the influence of political, social, and economic pressures on accountability structures (Grossi & Thomasson, 2015). The multiple institutional logics embedded in MCs present distinct challenges in aligning social, economic, and environmental objectives within coherent control frameworks (Vakkuri et al., 2021). This dissertation investigates how hybrid organisations navigate the institutional environmental and environmental demands shaping control, accountability and strategic coherence, contributing to a deeper understanding of the challenges posed by institutional plurality (Safari & Parker, 2024; Rajala & Kokko., 2021; Grossi et al., 2022).

1.3. Research Purpose

The overall research purpose of this dissertation is to *explore how hybridity shapes organisational control and accountability in hybrid organisations*. Building on the complexities associated with hybrid structures, this research examines the challenges these organisations face in reconciling different institutional logics with organisational goals. By analysing how hybrids balance public service mandates with commercial efficiency, it seeks to provide insights into the adaptability and resilience required to achieve coherent organisational outcomes within hybrid frameworks.

Specifically, the overarching research question addressed in this dissertation is:

RQ: How does the hybridity of MCs shape their organisational control and accountability structures?

To answer this question and fulfil the research purpose, the dissertation investigates three specific research questions, each explored in a separate paper, as outlined below:

RQ1: *What insights does the current state of knowledge provide into the evolving roles, challenges, and opportunities of municipal corporations as hybrid organisations, and how do these insights shape a broader understanding of their governance, accountability, and performance?*

Through a systematic literature review, the aim of RQ1 is to examine the evolving roles, challenges, and opportunities faced by MCs within the hybridity framework and to provide key insights that contribute to a broader understanding of their governance, accountability and performance. These insights illustrate how hybrid MCs navigate the intersection of public and private sector objectives, highlighting their unique structural autonomy,

adaptability, and accountability challenges. Their dual positioning underscores the need for robust governance models and strategic alignment to balance public service mandates with operational efficiency.

The review identifies how MCs manage conflicting institutional logics, balance political oversight with market-driven practices, and how ownership structures affect governance and accountability. By focusing on these complexities, the review seeks to clarify the ways in which MCs fulfil their hybrid roles while addressing inherent risks, such as corruption, inefficiency, and misalignment between legislative intent and practical outcomes. The review offers a view of MCs as hybrid entities and provides valuable insights for optimising their performance to meet contemporary public service and efficiency expectations.

RQ2: How does ambidextrous sustainability affect the financial, social, and environmental performance of hybrid organisations, and how do organisational structures shape this relationship?

The aim of RQ2 is to explore how ambidextrous sustainability affects the financial, social, and environmental performance of MCs, with a focus on how organisational structures shape this relationship. Specifically, MCs serve as an empirical context to assess how ambidextrous sustainability enables the integration of public mandates with market-driven approaches in a hybrid organisational environment. This research examines how MCs navigate these challenges through structural mechanisms to reconcile performance demands across financial, social, and environmental dimensions.

RQ3: How do actors at the strategic apex of hybrid organisations cope with the challenges of constructing accountability in the presence of multiple and potentially conflicting institutional logics?

The aim of RQ3 is to investigate how actors at the strategic apex of MCs cope with the challenges of constructing accountability in a hybrid environment. The research focuses on how these actors manage the tensions created by multiple institutional logics, where the intersection of public and private mandates generates complex accountability challenges. It examines how the strategic apex interprets and implements control practices to meet diverse stakeholder expectations, adapting both formal and informal controls. It also sheds light on how strategic apex actors in MCs manage multiple accountability demands, balancing public service obligations with operational autonomy to achieve strategic coherence.

1.4. Dissertation Outline

This kappa provides an overview of the research purpose and related research questions, detailing the philosophical, theoretical, and methodological approaches. It also examines the overall contributions, implications, and limitations, while suggesting avenues for future research. The remainder of the kappa is structured as follows:

Chapter 2 presents the theoretical and conceptual underpinnings of the study of hybridity. It examines relevant frameworks, including institutional theory, institutional logics, paradoxes, and organisational control.

Chapter 3 explores the context of MCs, specifically Swedish municipal corporations (SMCs), as the empirical focus of the dissertation.

Chapter 4 outlines the philosophical and methodological approaches of the research, detailing the ontological and epistemological perspectives and how they relate to the empirical work.

Chapter 5 summarises the three appended papers that form the core of the dissertation, providing an overview of each paper's purpose, methodology, findings, and contributions.

Chapter 6 discusses the research findings in relation to the aims of the dissertation, outlining the theoretical, empirical, and practical contributions. It also addresses some limitations and suggests directions for future research.

Chapter 2. Theoretical and Conceptual Foundations

This chapter outlines the theoretical and conceptual lenses that underpin the research, providing a basis for examining key theories, concepts, and their role in interpreting the empirical object. The focus is on institutional theory, institutional logics, the paradox perspective, organisational control and organisational hybridity. By integrating these perspectives, the chapter aims to highlight the predictive and explanatory potential of the selected theories and concepts in understanding and interpreting the empirical object.

2.1. Institutional Theory

Institutional theory provides a framework for understanding how organisations adapt to their environment and achieve stability and legitimacy through processes shaped by external social and cultural forces (Zucker, 1977; Meyer & Rowan, 1977). Organisations do not operate in isolation but are embedded in a wider social context that influences their structures, practices, and routines (Scott, 1987). Central to this theory is the process of institutionalisation, whereby norms and values become embedded in organisational frameworks, making them durable and self-sustaining over time (Zucker, 1977). By focusing on the interplay between organisational practices and external societal norms, institutional theory elucidates the dynamics through which legitimacy becomes a critical resource for organisational survival (Suchman, 1995).

Institutional theory rests on several key assumptions. Organisations are deeply embedded in their environment, which shapes their internal practices and pursuit of legitimacy (Meyer, 2017; Zucker, 1977). This embeddedness means that their actions are influenced by the prevailing norms and cognitive frameworks, which define acceptable behaviour within the broader institutional context. Legitimacy, understood as societal approval, is essential for organisational survival and success. Organisations conform to societal expectations to gain legitimacy and thereby improve access to resources and support from external stakeholders (Scott, 1987; Meyer & Rowan, 1977). This conformity often leads to isomorphism, whereby organisations within a given field become increasingly similar. Isomorphism is driven by *mimetic* pressures, where organisations imitate successful peers to cope with uncertainty, *coercive* pressures, stemming from formal or informal demands from external authorities or regulatory bodies, and *normative* pressures, which arise from professional norms and standards that influence organisational

practices through education and professional networks (DiMaggio & Powell, 1983).

Institutional theory also highlights the concept of decoupling, whereby organisations adopt formal structures that symbolically conform with institutional norms, even if these structures do not necessarily improve technical efficiency or operational effectiveness (Meyer & Rowan, 1977; Zucker, 1977). Decoupling allows organisations to maintain legitimacy in the eyes of external stakeholders while adapting their internal operations to meet practical needs. This balance between conformity and efficiency illustrates how institutionalisation can both constrain and enable organisational action, highlighting the complex relationship between external expectations and internal dynamics.

Recent developments in institutional theory have broadened the focus to include the multiplicity of institutional logics within a single organisational field. Institutional logics are the belief system and practices that give meaning to social and organisational action, providing a lens through which to understand how different value systems coexist within organisations (Thornton & Ocasio, 2008; Friedland et al., 1991). This is particularly relevant in hybrid organisations that operate at the intersection of competing institutional demands. Hybridity often leads to tensions as organisations attempt to reconcile divergent goals, such as balancing their social mission with commercial objectives (Battilana & Lee, 2014; Pache & Santos, 2013).

The hybridity of MCs illustrates the usefulness of institutional theory in analysing the tensions and contradictions that arise from competing institutional logics (Besharov & Smith, 2014). These organisations often straddle the divide between public and private sector logics, creating fertile ground for examining how institutional norms shape governance and management practices (Battilana & Lee, 2014; Pache & Santos, 2013). Institutional theory provides the tools to unpack these dynamics by illuminating how organisations navigate pluralistic environments through strategies that balance legitimacy and operational needs (Thornton et al., 2012). The concept of selective coupling, for example, captures how organisations incorporate elements of conflicting logics to satisfy different stakeholders while maintaining internal coherence (Pache & Santos, 2010; Greenwood et al., 2011).

The breadth of institutional theory extends beyond its focus on isomorphism and decoupling to include the dynamic interactions between institutional logics, organisational agency, and broader societal changes. Its applicability to hybrid organisations highlights its versatility in addressing contemporary organisational phenomena (Greenwood et al., 2011; Scott, 2013). By

integrating foundational insights from institutionalisation and legitimacy with emerging perspectives on hybridity and pluralism, institutional theory provides a framework for exploring the control, accountability, and performance of organisations operating in complex and diverse institutional landscapes. This theoretical lens thus captures both the stability provided by institutionalisation and the adaptability required to navigate evolving societal demands, making it indispensable for analysing organisational practices in hybrid contexts (Thornton & Ocasio, 2008; Friedland et al., 1991).

2.1.1. Institutional Logic

Institutional logic is a key concept in institutional theory that helps to explain how belief systems and practices shape the actions of both individuals and organisations. It provides the cultural and symbolic frameworks through which organisations make sense of their roles in a particular institutional setting (Thornton & Ocasio, 1999). These logics include formal and informal rules that shape decision-making, strategies, and interactions within organisations, providing both constraints and opportunities for action (Friedland et al., 1991). They also serve as the basis for legitimacy, as organisations must align their practices with the prevailing logics to gain social acceptance. Institutional logics are particularly relevant in hybrid organisations, such as MCs, where competing value systems – such as public accountability and commercial efficiency – often coexist and shape organisational control, strategies, and outcomes (Greenwood et al., 2011). For example, private sector logic, which prioritises profit maximisation, contrasts with the public sector logic of public accountability (Thornton et al., 2012).

Institutional logics are not fixed or immutable, but evolve through ongoing interaction between institutional structures and human agency, shaped by the actions and decisions of individuals and organisations operating within them (Friedland et al., 1991). This dynamic nature allows institutional logics to adapt to changing social, economic, and organisational contexts. An example of this evolution is found in a capitalist order, where the logic of commodification – viewing human activity through the lens of economic value – guides organisational behaviour and strategic choices. In hybrid organisations, such as MCs, this adaptability is particularly important, as they have to mediate between public and private logics. For instance, MCs often embody a logic of accountability that prioritises transparency and public service, while at the same time navigating a commercial logic that focuses on efficiency and cost reduction (Reay & Hinings, 2009). This duality highlights the value of institutional logics as a lens through which to examine how hybrid organisations balance their multiple objectives while managing tensions arising from competing logics. The idea that logics are embedded in broader

institutional orders implies that individuals and organisations navigate their environments by aligning with the prevailing logics that shape their core values and assumptions (Battilana, 2006). For MCs, this means constantly negotiating between their public mandate and their operational requirements to maintain legitimacy with different stakeholders**.**

Importantly, multiple institutional logics often coexist within a single field[1], which can lead to tensions or conflicts (Smith & Lewis, 2011). However, these tensions are not necessarily inevitable. In some cases, different logics can coexist without conflict or even complement each other (Goodrick & Reay, 2011). For MCs, these tensions are not just theoretical but deeply practical, as they have to meet financial targets while also fulfilling public service obligations. The ability to manage competing demands in institutionally complex environments captures how organisations balance the demands of multiple logics while striving to maintain legitimacy among different stakeholder groups (Besharov & Smith, 2014). Thus, while tensions may arise between multiple logics, the dominance of one logic does not necessitate the disappearance of others. Multiple logics often coexist, allowing organisations to navigate and address a range of sometimes conflicting demands within their institutional environment (Greenwood et al., 2011). MCs often adopt strategies, such as selective coupling, where they integrate compatible elements of coexisting logics to balance public and market expectations. This approach ensures that they maintain their legitimacy as both service providers and commercially viable entities, demonstrating the practical relevance of institutional logics for the study of hybrid organisations (Pache & Santos, 2013).

2.1.2. Paradox Perspective

The paradox perspective builds on institutional theory by focusing on the contradictions and tensions inherent in organisations as they navigate multiple institutional logics. It extends institutional logic theory by addressing how organisations simultaneously manage competing demands in pluralistic environments (Smith & Lewis, 2011). These tensions arise as organisations align themselves with divergent logics, such as public accountability and market efficiency, often resulting in persistent contradictions that cannot be fully reconciled (Jarzabkowski et al., 2013). Rather than seeking to resolve

[1] Fields in institutional theory refer to the social spaces in which organisations interact and compete, shaped by shared rules, norms, and practices. These fields are composed of different actors, including organisations, regulators, and other stakeholders, who influence and are influenced by the dominant institutional logics within the field (DiMaggio & Powell, 1983).

these contradictions, paradox theory sees them as ongoing tensions that need to be continually managed (Smith & Lewis, 2011). Paradoxes are not occasional dilemmas, but persistent features of organisational life that arise as organisations respond to competing demands from their external environment (Smith & Cunha, 2020). For example, organisations often experience tensions between innovation and stability, or exploration and exploitation, as they attempt to balance short-term efficiency with long-term adaptability (March, 1991). In hybrid organisations, such as MCs, these tensions are acutely manifested, as they must simultaneously pursue private and public sector mandates, creating fertile ground for the application of paradox theory (Battilana et al., 2017).

In the paradox perspective, two prominent approaches – dynamic equilibrium and permanent dialectics – offer insights into how organisations manage these tensions. The dynamic equilibrium approach suggests that organisations must constantly adapt to balance conflicting demands (Smith & Cunha, 2020). In this view, success lies in achieving a flexible and iterative equilibrium in which organisations adjust their priorities as internal or external conditions change. For example, MCs may emphasise operational efficiency during periods of financial constraint, while pivoting to enhance community engagement during periods of stability. This approach highlights the cyclical nature of paradoxes, where organisations navigate competing forces over time, balancing without fully resolving the underlying contradictions.

In contrast, the permanent dialectics approach embraces continuous conflict as a natural state in which the clash of opposing forces drives organisational change and innovation (Da Cunha et al., 2002). In this framework, disequilibrium is not something to be avoided, but essential to organisational development. This approach aligns particularly well with hybrid organisations, where the tension between multiple institutional logics is a source of creativity and strategic renewal. Disequilibrium in these organisations is not a weakness but an essential driver of innovation, as conflicting forces compel them to reimagine their practices and structures (Smith & Lewis, 2011).

Viewing organisational challenges from a paradox perspective highlights strategies that enable organisations to embrace and manage conflicting demands rather than attempting to eliminate them. This perspective builds on the focus of institutional theory on embedded practices, but shifts the emphasis to harnessing conflicting elements as a source of innovation and growth (Cunha & Putnam, 2017). In the context of MCs, this lens is particularly insightful, as these organisations inherently balance their dual role as public service providers and commercially oriented entities. By navigating these

tensions, MCs can innovate their control practices, blending public accountability with commercially informed strategies to enhance both legitimacy and performance (Pache & Santos, 2013).

The paradox perspective thus enriches institutional theory by providing a framework for understanding and managing the complexities of organisational behaviour. For hybrid organisations, this perspective offers critical insights into how they navigate pluralistic institutional environments where coexisting logics create inevitable tensions. Organisations that effectively navigate paradoxical tensions often exhibit greater resilience and adaptability, enhancing their ability to thrive in dynamic and pluralistic environments (Cunha & Putnam, 2017). Rather than viewing paradoxes as problems to be solved, this perspective challenges organisations to embrace contradictions as opportunities for sustainable innovation and long-term success. This is particularly relevant for MCs, that exist at the intersection of public and private domains (Kickert, 2001) and must continually adapt to maintain their performance and legitimacy with different stakeholder groups. (Battilana et al., 2017).

2.2. Organisational Hybridity

Organisational hybridity is a multifaceted concept interpreted in various ways in the literature. Some scholars view hybridity as integrating multiple institutional logics within a single organisation, where organisations must navigate and combine distinct value systems and action logics from different sectors, such as the public, private, and voluntary sectors (Besharov & Smith, 2014). In contrast, others define hybridity as the blending of organisational identities and forms that transcend traditional boundaries (Güngördü-Arıoğlu & Tunçalp, 2024). A further interpretation describes hybridity as the systematic incorporation of civil society and market elements into an organisation's identity (Doherty et al., 2014). Finally, some scholars emphasise hybridity as the dynamic interplay of institutional logics, identities, or forms, producing a distinctive blend of public and private frameworks (Battilana et al., 2017; Karré, 2020). This study adopts a framing of hybridity that emphasises "the interaction among public, private and civil society via distinct modes of ownership, parallel but often competing institutional logics, diverse funding bases, and various forms of social and institutional control" (Vakkuri et al., 2021, p. 246), thereby acknowledging hybridity as a complex intersection of institutional influences and organisational control structures.

To situate this framing within the broader academic discourse, it is important to note that different literature streams emphasise different conceptual lenses.

For example, the business administration literature often focuses on organisational hybridity, while public administration research tends to adopt new public management (NPM) as its primary framework (Maine, 2024). Hybridity offers a particularly compelling perspective as it goes beyond the instrumental focus of NPM – prioritising efficiency and performance – to address the deeper institutional contradictions that organisations face in pluralistic fields (Child, 1936, as cited in Thomasson, 2020). By addressing these contradictions, hybridity provides a broader analytical scope for examining the complex dynamics of organisations shaped by multiple logics. Accordingly, given this dissertation's grounding in the business administration literature, hybridity is pragmatically adopted as the primary lens to interpret the empirical object.

Institutional logic perspective is one lens to interpret hybridity. According to Pache and Thornton (2020, pp. 30, 36), the institutional logic perspective is a "powerful framework to analyse the interrelationships among individuals, organisations, and institutions in social systems... that can... explain and predict behaviour in particular contexts." This perspective frames hybrid organisations as embedded in complex institutional environments, where multiple, often conflicting, logics shape organisational expectations and legitimacy among internal actors and external stakeholders (Vakkuri et al., 2021; Thornton et al., 2012).

Hybridity, however, is not only a conceptual framework but also a lens for understanding institutional dynamics. Hybrid organisations operate in fields shaped by conflicting normative, cognitive, and cultural frameworks (Greenwood et al., 2011; Pache & Santos, 2013). By shifting focus from structure to process, this perspective frames hybridity as more than just the coexistence of multiple logics; it emphasises organisations' dynamic efforts to navigate and reconcile these tensions. Thus, the paradox perspective extends and complements the institutional logic approach by framing hybridity as a site of ongoing tensions, providing a lens through which to explore how organisations manage competing demands. Rather than resolving tensions, the paradox perspective focuses on coping with them, providing a dynamic framework to illuminate the practices and mechanisms used to balance competing pressures in hybrid organisations (Smith & Lewis, 2011; Jay, 2013).

Beyond theoretical considerations, hybridity has practical implications for understanding organisational adaptability. Hybrid organisations, such as MCs, serve as practical testing grounds for understanding how hybridity operates in real-world contexts. Their ability to integrate diverse elements highlights the potential to foster innovative responses to competing pressures (Karré, 2020; Smith & Lewis, 2011). This adaptability underscores the relevance of

hybridity in addressing complex societal demands. By drawing on different resources and sources of legitimacy, hybrid organisations gain flexibility, but also encounter friction and ambiguity (Besharov & Smith, 2014). Effective management of these tensions requires reconciling diverse goals while maintaining coherence in pluralistic environments. These challenges position hybridity as a dynamic process rather than a fixed organisational state, with friction and uncertainty inherent in managing multiple logics, particularly when pursuing diverse performance goals (Ponte et al., 2017; Székely & Knirsch, 2005).

This process-based view of hybridity raises the challenge of balancing integration and differentiation. Ebrahim et al. (2014) distinguish between integrated hybrids, where commercial and social activities are aligned to achieve multiple objectives simultaneously, and differentiated hybrids, where commercial activities generate resources that are subsequently reallocated to achieve social objectives. This distinction illustrates how hybridity manifests as a spectrum of organisational responses to institutional complexity, each reflecting a unique prioritisation of logics (Battilana & Lee, 2014).

The complexity of hybridity is compounded by ambiguous governance and ownership structures. These ambiguities, driven by the competing demands of multiple principals, can result in fragmented ownership, misaligned incentives, and blurred accountability (Cornforth, 2020; Vining & Weimer, 2020). Integrated and differentiated hybrids (Ebrahim et al., 2014) face particular challenges in balancing the multiple logics of their operations while maintaining accountability. These governance challenges highlight the need for robust mechanisms to manage the tensions inherent in hybrid organisational forms.

Related to governance issues is the broader question of accountability. The need to accommodate the interests of multiple principals increases the risk of fragmented ownership and misaligned interests (Vining & Weimer, 2020). Such ambiguity typically arises from divergent institutional logics and interests within the organisation (Cornforth, 2020), exemplified by the formal and informal claims and responsibilities associated with different principals (Vining & Weimer, 2020). As a result, hybrid organisations face significant challenges in ensuring control and accountability (Grossi & Thomasson, 2015). These challenges go beyond operational issues and stem from the deep institutional contradictions that define hybridity. Hybrid organisations thus become arenas where institutional logics are constantly negotiated and redefined (Pache & Santos, 2013). subsequently, hybrid organisations have been described as potential danger zones for corruption and a lack of accountability (Bergh & Erlingsson, 2024).

2.3. Conceptualisation of Organisational Control

Organisational control has been a central focus of management and organisation studies for over a century, highlighting its fundamental role in coordinating actions, managing resources, and achieving goals. Early contributions, such as Max Weber's (1947, as cited in Weber, 2009) theory of bureaucratic control, laid the groundwork by emphasising formal structures, hierarchies, and standardised procedures as tools for ensuring efficiency and predictability. This mechanistic perspective, rooted in the principles of rationality and order, dominated early theories of organisation management. However, as organisations became more complex and embedded in diverse institutional settings, the scholarly focus shifted to understanding control systems as dynamic mechanisms that balance internal operations with external demands for legitimacy (DiMaggio & Powell, 1983; Scott, 2013).

The evolution of organisational control reflects broader shifts in organisation theory, moving from an emphasis on mechanistic efficiency to a deeper appreciation of the interplay between structural practices and social, cultural, and institutional influences (Burns & Scapens, 2000; Thornton et al., 2012). This transition is particularly important for hybrid organisations, where multiple institutional logics require control systems capable of reconciling different priorities (Pache & Santos, 2013; Besharov & Smith, 2014). Hybrid organisations inherently operate at the intersection of competing institutional pressures, requiring control systems that are not only technically robust, but also socially and culturally adaptable (Pache & Santos, 2013). These systems must mediate between conflicting demands, balancing performance objectives with accountability to diverse stakeholders (Battilana & Lee, 2014). By recognising control as both a technical and institutional process, contemporary frameworks shed light on how organisations navigate pluralistic environments and maintain legitimacy across multiple stakeholder groups.

This dissertation draws on Busco and Scapens' (2011) conceptualisation of organisational control, which is rooted in an institutional perspective. Organisational control is defined as a set of rules (formalised statements of procedures), roles (networks of social positions), and routines (habitual practices). These elements collectively produce and reproduce the organisational order, embedding control mechanisms within the broader context of organisational culture and cognitive schemas (Busco & Scapens, 2011). This perspective is consistent with institutional theory's emphasis on the embeddedness of organisational practices, recognising that control systems are not neutral mechanisms, but are deeply influenced by institutional logics and societal norms (Thornton et al., 2012; Burns & Scapens, 2000).

Adopting this perspective of control explicitly acknowledges the interactions between structures and actors, and the mechanisms through which these interactions shape organisational outcomes. Central to these mechanisms are practices, which act as a conduit through which institutional requirements are translated into operational realities (Besharov & Smith, 2014). Practices are recurring actions that embed institutional logics in everyday organisational behaviour and align structural processes with broader organisational goals (Burns & Scapens, 2000). For hybrid organisations, practices play a particularly important role, enabling them to operationalise the often conflicting priorities inherent in multiple institutional logics (Jarzabkowski et al., 2013). By focusing on practices, organisational control goes beyond mere compliance, fostering a dynamic alignment with the institutional logic and enabling organisations to adapt to external pressures and internal priorities.

Given this emphasis on practices, it is crucial to consider the actors responsible for implementing and shaping them. This dissertation conceptualises the board and the top management team (TMT) as the strategic apex (Mintzberg, 1983), emphasising its role as a collaborative dynamic central to strategic decision-making. Members of the strategic apex are those with the authority to make strategic decisions (Mintzberg, 1983) and those who navigate institutional complexity through active engagement with formal and informal controls. These individuals participate in strategic dialogues and act as intermediaries between external institutional pressures and internal operational needs, ensuring that the organisation remains adaptable and legitimate in the eyes of its stakeholders (Nilsson et al., 2020). In hybrid organisations, the strategic apex is particularly crucial, as its members must reconcile multiple institutional logics while ensuring strategic coherence and organisational legitimacy. This discussion highlights the role of both structure and agency in organisational control and sets the stage for examining the interactions within the strategic apex.

Building on the role of the strategic apex, González and Greve (2023) emphasise the importance of congruence between the board and the TMT for effective decision-making. Their findings highlight that both supplementary congruence (shared objectives) and complementary congruence (different but synergistic expertise) are critical to navigating complex strategic environments. This perspective is valuable for understanding how the strategic apex functions in hybrid organisations, where decision-making must balance multiple institutional logics and priorities (Battilana & Lee, 2014).

Extending this understanding of collaboration, this perspective also implicitly recognises the agency of actors in reshaping their environment, both in terms of institutional structures and strategic direction. Through their engagement with practices, organisational actors mediate between the structural elements

of the organisation and its cultural and institutional context, ensuring that control systems remain flexible and responsive to pluralistic demands (Jarzabkowski et al., 2013). Although this dissertation does not explicitly draw on agency theory, it assumes the existence of agentic mechanisms in both individual and collective arrangements (Eisenhardt, 1989a). Hopwood (1987) proposed that interactions between actors within the organisational environment enable control mechanisms that facilitate strategic change. This interaction highlights the dynamic relationship between control systems and organisational strategy, where control mechanisms serve not only as tools for oversight and compliance, but also as enablers of adaptability and innovation (Burns & Scapens, 2000). By fostering dialogue and negotiation among key actors, these systems help organisations navigate complex, pluralistic environments, and align operational practices with strategic objectives (Ahrens & Chapman, 2007). In hybrid organisations, this adaptive capacity is particularly important, as control mechanisms must function across conflicting institutional logics and performance goals to maintain both legitimacy and effectiveness (Battilana & Lee, 2014; Greenwood et al., 2011).

This understanding of control systems complements the discussion of the strategic apex and its role in navigating institutional complexity. While practices provide the operational means for organisations to adapt and align, the actors at the strategic apex coordinate and navigate these practices to balance external pressures with internal priorities. By highlighting the interdependence of practices and strategic leadership, this perspective reinforces the importance of congruence between the board and TMT in shaping control systems. González and Greve (2023) emphasise that such congruence—whether through shared objectives or complementary expertise—is critical for navigating complex strategic environments. Their findings provide insight into how collaboration within the strategic apex enhances an organisation's ability to reconcile competing institutional logics and maintain strategic coherence. In this way, control systems function as dynamic enablers of both stability and change, driven by the collective agency of key organisational actors.

Chapter 3. Context

This chapter examines the organisational context central to this dissertation, focusing on MCs in general and Swedish MCs (SMCs) in particular. It begins by outlining the general characteristics and roles of MCs, emphasising their position at the intersection of public governance and private operating principles, thereby highlighting their hybridity. The chapter then moves to the Swedish context, describing the regulatory framework and governance structures that shape the way SMCs operate. This contextual foundation is crucial for understanding how these dynamics influence organisational control and performance, and forms the basis for the empirical analysis and discussion in the subsequent chapters.

3.1. Municipal Corporations

MCs play a pivotal role in the provision of essential public services across a range of sectors, including housing, water and waste management, ensuring that communities receive reliable and high-quality support (Krause & Van Thiel, 2019). While MCs are often perceived as operationally independent, they may be wholly or predominantly owned by municipalities (Grossi et al., 2015). Operating under commercial law, MCs enjoy managerial autonomy, which allows municipal owners to minimise political influence on service provision. Furthermore, MCs differ from other local bureaucracies in terms of funding mechanisms, property rights, transaction costs, labour rights, profit-making rights, and bankruptcy risks (Voorn et al., 2017). By granting MCs managerial autonomy through their ownership structure, municipalities reduce their direct involvement in day-to-day service delivery. However, they remain responsible for ensuring that these services are reliable and of high quality (Grossi & Reichard, 2008). This balance between autonomy and oversight reflects the unique organisational characteristics that make MCs a compelling context for exploring organisational control and accountability.

In this dissertation, the following definition of MCs is used to define the scope and characteristics of the organisations under study: “MCs are legally incorporated entities with municipal ownership, potentially including other governmental and/or non-governmental co-owners or shareholders, either in singular or joint ownership arrangements, all of which are tasked with providing public services or activities at the municipal level” (Maine, 2024, p. 13).

In Sweden, MCs are a specific type of municipal enterprise established to manage public services such as housing, water and waste management, among

others. The Swedish Local Government Act (SFS 2017:725, Chapter 10, Section 3) gives municipal assemblies the power to transfer the management of municipal functions to a limited liability company in which the municipality holds all shares, thereby creating an SMC. This governance framework reflects a distinctive approach to the provision of public services, combining public ownership with private sector operating principles. While the municipality retains ownership through shareholding, these companies are tasked with delivering public services in a business-like manner, as mandated by Swedish law (Westerdahl, 2021).

One of the key aspects in the governance of SMCs is the appointment of board members and auditors. The municipal assembly has the power to appoint all board members (SFS 2017:725, Chapter 6, Section 28) and lay auditors, thus ensuring public accountability through political oversight (SFS 2017:725, Chapter 10, Section 5). Despite this political link, SMCs have the option of appointing professional external managers to oversee day-to-day operations, allowing for expert-driven decision-making. This dual governance structure – political oversight combined with professional management – illustrates the balancing act required to manage the tension between accountability and operational efficiency (Thomasson, 2020).

In addition, SMCs differ from typical bureaucracies in their exposure to market dynamics and corporate governance frameworks. While bureaucracies generally rely on public funding and are subject to direct government control, SMCs operate under commercial law, giving them a degree of managerial autonomy (Thomasson, 2020). They have the ability to generate their own revenues and face risks such as bankruptcy (Bel et al., 2010), making them more financially accountable and flexible than traditional local governments. However, the municipality still retains overall responsibility for ensuring the quality and reliability of services provided, maintaining a balance between business efficiency and public service obligations (Grossi & Reichard, 2008).

The governance of SMCs also includes the appointment of both politically connected lay auditors and professional auditors, ensuring a balance between political oversight and financial expertise. This dual audit structure serves as a safeguard to maintain transparency and public accountability while adhering to corporate governance standards (Vining & Weimer, 2020). The combination of public and private sector regulation creates a hybrid model that allows SMCs to operate efficiently while remaining anchored to their public service mission, distinguishing them from purely private enterprises (Thomasson, 2020).

Building on this governance structure, SMCs operate at the intersection of public sector governance and private sector operating models (Grossi &

Thomasson, 2015; Thomasson, 2020). Their unique structure, combining political oversight with professional management, allows them to deliver public services with the efficiency of a business while remaining accountable to the municipalities that own them. This dual positioning reinforces their hybrid nature, where governance mechanisms not only balance political and financial oversight but also enable SMCs to address institutional complexity. This positioning aims to facilitate the balance of dual objectives—achieving social goals while maintaining economic viability—making SMCs an ideal context for investigating how organisational control systems respond to institutional complexity. Moreover, they offer a rich empirical setting for examining how organisational control and accountability practices evolve in organisations faced with multiple and sometimes conflicting institutional demands.

Chapter 4. Research Design and Methodology

This chapter outlines the research design and methodological approach of the dissertation, using critical realism (CR) as a guiding philosophical framework. CR provides a lens through which to examine the hybrid nature of MCs, enabling a nuanced understanding of their structures, practices, and outcomes. The focus on uncovering generative mechanisms and underlying causal structures facilitates a deeper exploration of how organisational control, accountability, and performance interact in these hybrid organisations.

4.1. Critical Realism as a Philosophical Framework

CR provides a structured approach for understanding complex social phenomena through its stratified ontology of the real, the actual, and the empirical (Bhaskar, 1978; Danermark et al., 2018). This framework is consistent with the aim of this dissertation, which is to examine the generative mechanisms that explain observed organisational phenomena.

The dual focus of CR on structure and agency is particularly well suited to study the hybridity inherent in MCs. This perspective acknowledges that formal governance structures, informal practices, and actors' agency are interdependent and shape how organisations navigate institutional complexity. CR's ability to bridge positivist and interpretivist paradigms further strengthens its relevance for investigating accountability processes and governance dynamics.

By adopting this philosophical lens, the dissertation frames its empirical investigation through methodological pluralism, addressing multiple layers of organisational reality.

4.2. Methodological Pluralism in CR

The methodological approaches employed in this dissertation align with CR's emphasis on exploring multi-layered realities. This pluralistic approach integrates quantitative and qualitative methods across three studies to investigate hybridity in MCs.

The first study, presented in Paper 1, synthesises insights from a systematic literature review of MCs. This review identifies recurring challenges and patterns related to MC ownership and characteristics, governance and decision-making, organisational performance, control and accountability, and accounting practices. By mapping thematic clusters and recurring issues, the study offers insights into generative mechanisms that may influence hybridity, such as the tension between public accountability and market efficiency.

Building on this conceptual foundation, Paper 2 uses a mixed-methods approach to examine the relationship between ambidextrous sustainability strategies and performance in hybrid MCs. The study illustrates how structural elements such as connectedness and centralisation may moderate the alignment between exploration and exploitation strategies and performance outcomes.

The third study, outlined in Paper 3, employs a longitudinal case study to capture the evolving dynamics of accountability in a hybrid MC. Through observations, interviews, and document analysis, this study provides insights into how accountability processes are shaped by formal governance structures and relational practices at the strategic apex, illustrating the iterative nature of alignment in hybrid organisations.

By integrating CR's philosophical framework with a pluralistic methodological approach, the dissertation ensures that each study addresses specific dimensions of the research question. Together, these studies provide a comprehensive understanding of how organisational control and accountability practices reflect hybridity and how hybrid organisations balance public service mandates with commercial imperatives.

This alignment of methodological choices with the research objectives demonstrates the dissertation's contribution to understanding hybrid MCs through a critical realist lens. By focusing on generative mechanisms and institutional complexity, the dissertation offers insights into how hybrid organisations interact with complex institutional frameworks and respond to competing demands for accountability and performance.

.

Chapter 5. Summary of Articles

5.1. Paper 1

Maine, J. (2024). Municipal corporations in national and disciplinary contexts: A systematic literature review and future research agenda. *International Public Management Journal*, 1-21.

Purpose

This study seeks to broaden our understanding of the underlying principles, structures, and organisational actors that contribute to the functioning of MCs and their relative success or failure. Through a systematic analysis of MCs as organisational hybrids across national and disciplinary contexts. By synthesising findings from 43 studies, the review identifies key themes and challenges related to the dual role of MCs as public service providers and commercial entities. It aims to improve conceptual clarity, address terminology inconsistencies, and explore the disconnect between legislative intentions and practical outcomes, providing a basis for theoretical development and practical policy recommendations.

Methodology

This study uses a systematic methodology (Tranfield et al., 2003; Briner & Denyer, 2012) to review 43 studies on MCs from different national and disciplinary contexts. Data collection followed a multi-stage process according to PRISMA guidelines (Gil et al., 2024), and keyword searches in Scopus and Web of Science. Keywords, such as "municipal corporation*" and "local government corporation*" were filtered using pre-defined inclusion and exclusion criteria. This approach ensured rigour and transparency, resulting in a refined sample of 43 studies after iterative screening and cross-referencing. The review emphasises conceptual clarity by synthesising recurring themes and addressing the terminological and theoretical inconsistencies surrounding MCs.

Findings

The analysis identified five key themes: MC ownership and characteristics, governance and decision-making, organisational performance, control and accountability, and accounting practices. The study highlights the complexity and diversity of MCs, revealing their potential for flexibility and cost efficiency, but also significant governance challenges, such as the risks of

inefficiency and corruption. It illustrates the inherent duality of MCs as an organisational form – balancing public service responsibilities with commercial objectives – and underscores the need for strategic alignment and robust governance mechanisms to manage the competing demands effectively. In addition, the study reveals a disconnect between legislative intentions and the practical outcomes of MC operations, pointing to the need for clearer policy frameworks and improved implementation strategies.

Originality/value

The study synthesises insights from a systematic literature review on the institutional environment of MCs, identifying recurring challenges and patterns related to ownership, governance, performance, control, and accountability. By mapping thematic clusters and recurring issues, the study offers valuable insights into generative mechanisms within the hybrid environment, such as the tension between public accountability and market efficiency, ownership diversity, and the role of politicisation in principal-agent dynamics.

The review also highlights governance mechanisms, such as strategic alignment and inclusive board composition, which influence how MCs balance public service mandates with commercial objectives. Additionally, it emphasises the interplay between trust-based and outcome-driven control systems in shaping accountability processes. A key contribution of the review is its identification of gaps between policy design and implementation, accentuating the need for greater alignment between legislative frameworks and organisational realities. By proposing a unified definition of MCs to resolve terminological ambiguities, the study addresses a critical barrier to knowledge accumulation, positioning itself as an essential resource for advancing both research coherence and practical governance solutions.

5.2. Paper 2

Maine, J., Florin Samuelsson, E., & Uman, T. (2022). Ambidextrous sustainability, organisational structure and performance in hybrid organisations. *Accounting, Auditing & Accountability Journal*, *35*(3), 734-769. https://doi.org/10.1108/AAAJ-12-2019-4338

Author involvement

My contribution accounts for 60% of the total work. I was primarily responsible for data collection, problematisation, theory development, and the

overall conceptual framing of the study. Throughout the process, I worked closely with my co-authors on all aspects of the research.

Purpose

Drawing on paradox theory, this study explores how ambidextrous sustainability relates to organisational performance in hybrid organisations represented by Swedish municipal housing corporations (SMHCs) and how this relationship is contingent on the organisational structure of these organisations. The study examines how structural configurations, such as centralisation and connectedness, influence the balance between explorative and exploitative sustainability strategies and their impact on performance.

Methodology

The study uses data from SMHCs, collected through a survey distributed to TMT members, as well as financial and non-financial archival data, interviews with board and management team members, and non-participant observation of meetings, such as board, management, and presidium meetings. This multi-method design aimed to capture both quantitative relationships and the contextual dynamics that influence them. Quantitative data are analysed using descriptive statistics, correlation analysis, and multiple linear regression. Qualitative data, including transcribed interviews and field observations, are examined using thematic analysis to complement and contextualise the quantitative findings.

Findings

The study shows that ambidextrous sustainability – the alignment of explorative and exploitative sustainability strategies – has a weakly positive effect on financial performance and a positive effect on social performance in SMHCs. Organisational structure, particularly the role of connectedness, is identified as a critical moderator of the relationship between sustainability strategies and performance. High levels of connectedness within the organisational structure weaken the positive effect of ambidextrous sustainability on financial performance, while lower levels of connectedness reinforce and strengthen it. The qualitative findings illustrate how this relationship can be explained by interactions between the board of directors and the management team. These interactions facilitate sustainability outcomes through coordination and consensus-based decision-making processes, reflecting how structural and relational dynamics help contextualise the sustainability strategies**.**

Originality/value

This research shows how ambidextrous sustainability, employed for the conceptualisation of sustainability strategy in hybrid organisations such as SMHCs, can impact facets of performance (i.e., financial, social, and environmental) differently. It also highlights the importance of organisational structure in these relationships within a hybrid context.

5.3. Paper 3

Maine, J., Uman, T., & Florin-Samuelsson, E. (2023). Actors constructing accountability in hybrid organisations: The case of a Swedish municipal corporation. *The British Accounting Review*, 101207. https://doi.org/10.1016/j.bar.2023.101207

Author involvement

My contribution to Paper 3 accounts for 70% of the work. I was primarily responsible for problematisation, theory development, and the overall conceptual framing of the study. I also conducted the data analysis and wrote the discussion and findings. Although all interviews were conducted in Swedish by my co-authors, I performed the analysis after the transcripts and documents were translated into English.

Purpose

The study focuses on the strategic apex (board and management team) and how they navigate the challenges associated with multiple and potentially conflicting institutional logics. By drawing on an institutional logic perspective, the paper seeks to understand the processes by which these actors handle the complex and pluralistic demands of accountability. The research highlights key processes such as "evoking the principals," negotiating resource allocation, compromising and aligning interests, and creating team structures. The paper aims to contribute to the literature on accountability in hybrids by providing empirical insights into how hybrid organisations balance their dual mandates and construct accountability frameworks that accommodate diverse stakeholder expectations.

Methodology

This study uses a longitudinal case study approach to examine the complex interactions between actors at the strategic apex of an SMHC, with a focus on the construction of accountability. Field research conducted over 18 months yielded rich empirical data from a variety of sources, including interviews,

observations, and official documents. Data collection included 43 hours of meeting observations, covering ten board meetings, eight presidium meetings, and two management team meetings, which generated 125 pages of field notes. These data were supplemented by interviews with board and management members and archival records, such as annual reports, ownership directives, strategic plans, and media articles.

The analysis follows a two-phase content analysis approach. In the first stage, the manifest content is examined to identify literal meanings, with NVivo used to structure the data. The research team iteratively reviewed the material to reach consensus on key categories, patterns, and themes. In the second stage, the latent content is analysed to interpret the underlying dynamics shaping accountability processes. This two-stage approach sheds light on how relational and structural factors shape accountability within hybrid governance frameworks, illustrating how actors at the strategic apex address institutional tensions and negotiate governance complexities

Findings

The case study reveals that the strategic apex of the organisation addresses accountability tensions by evoking multiple principals through key processes, such as negotiating resource allocation, aligning and compromising interests, and creating team structures. These processes allow actors to navigate institutional tensions, demonstrating the interplay between individual and collective agency in the construction of accountability. The invisibility of the legal owner necessitates these actions, enabling the strategic apex to respond to the complexities of hybrid governance. This study contributes to the growing literature on accountability in hybrid organisations by providing empirical insights into how actors balance competing institutional logics and stakeholder demands through their agency and collaborative actions.

Originality/value

The paper's originality and value lie in its detailed examination of how accountability is constructed in hybrid organisations through the actions of the strategic apex. By focusing on an SMHC, the study provides empirical insights into the nuanced processes of accountability, including evoking multiple principals, negotiating resource allocation, and creating team structures to navigate competing institutional logics. Unlike prior research that often views accountability frameworks as static or compliance-based, this study demonstrates that accountability is an evolving, relational construct shaped by interactions between formal governance mechanisms and informal relational dynamics. The paper's contribution extends beyond the hybrid organisation literature by highlighting the significance of the invisibility of the

legal owner and how it compels strategic actors to navigate complex stakeholder demands through individual and collective agency. This approach advances understanding of the interplay between agency, institutional pressures, and governance in hybrid contexts, providing a foundation for future research on accountability as a dynamic and context-specific phenomenon.

5.4. Overall Model

The proposed model (Appendix 1, figure 1) illustrates how MCs operate within a broader institutional environment, navigating accountability construction, strategy formulation, control structures, and sustainable performance. Central to this model is the role of the strategic apex, which mediates between institutional pressures and internal organisational priorities. This conceptualisation reflects the findings from the three papers and demonstrates how complex and multi-faceted processes shape hybrid organisations.

The institutional environment provides the structural and regulatory framework defining MCs' control and accountability boundaries. *Paper 1* highlights how MCs are shaped by legal and managerial autonomy and must balance public service delivery with commercial objectives. This duality places MCs within a complex governance space where public accountability and operational efficiency coexist. By mapping the research landscape, *Paper 1* emphasises that MCs are embedded within multi-level governance systems, where institutional pressures influence their accountability frameworks and performance goals. This contextual backdrop informs the model's depiction of the strategic apex as both constrained by and responsive to external stakeholder expectations.

At the centre of the model is the construction of accountability, which is depicted as an active and ongoing process shaped by the interactions between the strategic apex and stakeholders. *Paper 3* delves into this dynamic by exploring how the strategic apex in a Swedish municipal housing corporation (SMHC) constructs accountability in response to competing institutional logics. The paper introduces the concept of "evoking the principals," where the apex anchors its decisions by selectively elevating different stakeholders—such as municipal representatives or community members—to the role of principal at different times. This process highlights how accountability is relational and multi-directional rather than a static obligation. The model reflects this complexity by illustrating how accountability construction interacts with organisational strategy to achieve sustainable performance.

The model's depiction of strategy illustrates how accountability construction informs the strategic direction of MCs. The strategic apex must align organisational strategies to achieve sustainable performance across financial, social, and environmental dimensions. This aspect is central to *Paper 2*, which examines ambidextrous sustainability—an approach that balances exploration (innovative sustainability initiatives) and exploitation (efficient use of existing resources). The empirical findings from SMHCs reveal that strategic ambidexterity can enhance social and environmental performance but requires careful calibration of organisational structures. Specifically, *Paper 2* demonstrates that "connectedness," or the degree of informal collaboration across departments, can either strengthen or weaken the relationship between ambidextrous sustainability and financial performance. This underscores the importance of formal and informal control mechanisms in shaping strategic outcomes.

Control structures mediate the relationship between strategy and performance, as depicted in the model. These structures encompass formal hierarchies, reporting frameworks, and informal networks that facilitate or constrain decision-making. *Paper 3* emphasises the dual role of control structures as both enabling and constraining accountability processes. The study's findings show how formal accountability measures coexist with relational forms of accountability built through trust and informal communication. The model captures this hybridity by incorporating both instrumental (financial) and relational (social) dimensions of control.

The final component of the model—sustainable performance—illustrates the interconnected nature of financial, social, and environmental outcomes. *Paper 1* argues that traditional performance metrics are insufficient to capture the full scope of MCs' contributions and calls for more comprehensive indicators reflecting their hybrid nature. *Paper 2* extends this by empirically demonstrating how sustainability strategies can drive performance improvements across all three dimensions when supported by appropriate organisational structures. Meanwhile, *Paper 3* demonstrates that accountability construction plays a key role in aligning performance outcomes with organisational goals by navigating tensions between public and private interests.

Overall, the model synthesises the contributions of the three papers to provide a holistic understanding of organisational control in MCs. The systematic review in *Paper 1* contextualises the institutional environment and governance challenges. *Paper 2* explores the impact of strategic ambidexterity on performance, highlighting the role of structural elements in moderating sustainability strategies. *Paper 3* offers a detailed examination of how accountability is constructed at the strategic apex, illustrating governance's

relational and multi-level nature in hybrid organisations. Together, these insights demonstrate that governance in MCs is not static, but an evolving process shaped by institutional constraints, strategic decisions, and performance outcomes.

Chapter 6. Conclusion

This final chapter situates the findings within the existing literature, aligning with the overall purpose of the dissertation and addressing the research questions. It outlines the theoretical, methodological and empirical contributions, and discusses their implications for policy and practice. The chapter also reflects on the limitations of the research and identifies potential avenues for future exploration.

6.1. Discussion and Contributions

This dissertation examines organisational control and accountability in hybrid organisations represented by MCs. It highlights the presence of multiple institutional logics in MCs and the challenges these pose in interpreting and aligning organisational values and missions. While such pressures can complicate management accounting structures, they also offer opportunities to address complex organisational challenges. With this in focus, the dissertation advances our understanding of how MCs' hybrid environment prompts organisational responses associated with organisational control and accountability, as explored in the three interrelated research papers.

The overarching research question guiding this dissertation is: *How does the hybridity of MCs shape their organisational control and accountability structures?*

Paper 1 addresses this question by systematically reviewing the literature on MCs, providing a conceptual overview for the dissertation. This foundational study synthesises themes related to ownership characteristics, governance and decision-making, organisational performance, control and accountability, and accounting practices. It explores how hybridity operates across different institutional contexts and identifies key tensions, such as the balance between public accountability and market efficiency. The study highlights the significant terminological diversity in the literature and seeks to address this by proposing a unified definition of MCs to support a more coherent research agenda.

As the first study, Paper 1 provides a conceptual overview that supports the empirical research presented in Papers 2 and 3. By thematically mapping the field, it lays the groundwork for understanding hybridity and informs the direction of the subsequent empirical studies. The review, initiated early in the dissertation, evolved through iterative refinement and engagement with broader research insights. While Papers 2 and 3 focused on empirical

investigations, the review synthesises key themes to offer a coherent perspective on the institutional environment of MCs. This synthesis contributes to an understanding of the theoretical and practical dimensions of hybridity in public-sector organisations.

Paper 1 provides a conceptual overview of the field and also highlights key themes related to how hybridity shapes governance, control, and accountability practices in MCs across different institutional contexts. It calls for conceptual clarification of MCs and hybridity by proposing a unified definition to address terminological inconsistencies in the literature. This clarification supports the development of a coherent research agenda and enables comparisons across national contexts while accounting for local variations. By identifying the tensions between public accountability and market efficiency, the paper illustrates the duality of risks and opportunities inherent in hybridity. However, rather than explicitly showing that governance mechanisms can balance profitability and public service mandates, it points to the importance of examining how governance systems are shaped by competing institutional logics. These insights contribute to the overarching research question by demonstrating that hybridity requires navigating competing priorities through appropriate governance and accountability mechanisms (Denis et al., 2015; Pache & Santos, 2013).

The contributions of this paper are central to the dissertation, serving as a foundation for the subsequent empirical studies and bridging the theoretical discussion with empirical analysis. Its conceptual contributions improve conceptual coherence and inform the exploration of organisational control and accountability practices in hybrid organisations.

Paper 2 reveals that the hybrid nature of SMHCs creates competing pressures that require leaders to balance meeting immediate financial performance targets while simultaneously advancing broader social and environmental objectives. The statistical findings indicate that ambidextrous sustainability (Maletič et al., 2014)—characterised by the alignment of explorative and exploitative sustainability strategies—has a weakly positive effect on financial performance and a stronger positive effect on social performance. The results further indicate that structural elements, particularly connectedness and centralisation, moderate this relationship. High levels of connectedness weaken the positive effect of ambidextrous sustainability on financial performance, whereas lower levels of connectedness enhance it. These findings underscore that organisational structures significantly influence how sustainability strategies contribute to performance outcomes. This contribution extends previous research (e.g., Hahn et al., 2014; Raisch & Birkinshaw, 2008) by illustrating how structural configurations can either

support or undermine the resource allocation needed to mitigate tensions inherent in hybrid environments

Paper 3 contributes to answering the research question posed in this dissertation by examining how hybridity influences the construction of accountability within MCs, focusing on how actors at the strategic apex navigate the complexities of multiple institutional logics. It explores the interplay between organisational hybridity and accountability practices, revealing how accountability processes evolve through strategic actions to meet competing institutional demands. The study highlights how strategic apex actors navigate tensions between financial (instrumental) and social (relational) accountability. Key processes, such as evoking principals, negotiating resource allocation, compromising and aligning interests, and creating team structures, are shown to be critical in balancing the divergent demands of multiple stakeholders. These processes underscore the adaptive role of strategic actors in aligning the objectives of hybrid organisations while addressing the challenges posed by competing institutional logics.

By demonstrating how the strategic apex constructs accountability through evolving practices that align with public service objectives and market-driven performance goals, the paper extends existing literature on accountability in hybrid organisations (e.g., Grossi & Thomasson, 2015; Rajala & Kokko, 2021). It illustrates how hybrid organisations manage accountability tensions through dynamic and relational practices rather than predefined frameworks (e.g., Ebrahim et al., 2014). In addition, the paper offers empirical insights into the relational and instrumental dimensions of accountability in MCs, building on contributions from Baudot et al. (2022) and Alamaa et al. (2024). It extends the findings of Baudot et al. (2022) by providing a more nuanced understanding of accountability mechanisms in hybrid contexts and contributes to the work of Alamaa et al. (2024) by demonstrating how these mechanisms influence professional roles and mediate the alignment of competing institutional logics.

Through these three studies, the dissertation advances our understanding of how hybridity affects management accounting and control practices, accountability processes, and the strategic alignment of organisational objectives in MCs. While hybridity presents unique challenges, it also offers opportunities for innovation, adaptive governance, and performance-enhancing practices that influence organisational outcomes and control systems.

6.1.1. Empirical Contributions

This dissertation provides empirical evidence on how the hybridity of MCs shapes control and accountability practices, offering insights into the mechanisms by which accountability is constructed and maintained. The findings highlight that hybridity necessitates balancing multiple institutional logics, such as financial accountability and social mandates, through specific processes, including evoking principals, negotiating resource allocation, compromising and aligning interests, and creating team structures. These interconnected processes demonstrate the adaptive role of the strategic apex in managing accountability tensions and aligning multiple institutional demands**.** In doing so, the dissertation contributes to the discourse on how public sector hybrid organisations effectively navigate accountability tensions (Ghio & Verona, 2022).

By identifying these accountability mechanisms, the dissertation challenges the prevailing assumption that hybrid public sector organisations inherently lack accountability (e.g., André, 2010), demonstrating that effective MCs can actively construct accountability processes to navigate competing pressures. These findings contribute to the broader scholarly conversation on the governance and accountability challenges of hybrid organisations, particularly in reconciling divergent institutional logics in complex public sector environments. Moreover, the dissertation underscores that accountability processes in hybrid organisations are contingent on the strategic apex's ability to align formal governance structures with relational practices. The study extends the literature examining the institutional dynamics of hybridity (Grossi & Thomasson, 2015; Rajala & Kokko, 2021; Baudot et al., 2022) and contributes to ongoing debates on the multidimensional nature of accountability in public sector organisations, particularly the interplay between managerial and political actors at the strategic apex (Benish, 2020; Alamaa et al., 2024).

Paper 2 provides empirical contributions by exploring how sustainability – a critical element of hybrid organisations – is operationalised within MCs. This study shows that organisational hybridity influences the alignment between sustainability strategies and performance outcomes. The findings highlight that structural elements, centralisation and connectedness, moderate the balance between exploratory and exploitative sustainability strategies and shape performance across social, environmental, and financial dimensions. In particular, high connectedness weakens the positive relationship between ambidextrous sustainability and financial performance, while low connectedness enhances it. By focusing on these structural dynamics, the paper deepens current understanding of how sustainability practices are

integrated in hybrid organisations, building on frameworks such as Raisch and Birkinshaw (2008) and Hahn et al. (2014).

Paper 3 advances the empirical discussion by focusing on the construction of accountability in MCs, particularly the role of the strategic apex in navigating competing institutional logics. The paper provides empirical evidence of the adaptive processes employed by board members and top managers to reconcile tensions between financial accountability (instrumental) and social accountability (relational). By examining how these actors negotiate resource allocation, align interests, and create team structures, this study demonstrates how hybridity-induced demands shape accountability processes rather than static frameworks.

The findings highlight that hybridity requires balancing multiple institutional logics, such as financial accountability and social mandates, through specific processes, such as evoking principals, negotiating resource allocation, compromising and aligning interests, and creating team structures. These processes highlight the dynamic role of the strategic apex in addressing accountability challenges and aligning multiple institutional demands. In doing so, it contributes to the growing discourse on how public sector hybrid organisations effectively navigate accountability tensions (Ghio & Verona, 2022).

6.1.2. Methodological Contributions

Methodologically the dissertation contributes by developing a performance measurement approach tailored to the hybrid nature of SMHCs (Paper 2). This approach integrates financial, social, and environmental dimensions, aligning with the multi-faceted mandates of hybrid organisations. The financial dimension is assessed using a logarithmic transformation of a statutory value defined in the Swedish Public Housing Act (SFS 2017:725), ensuring alignment with sector-specific regulatory requirements. The social dimension is operationalised through rent affordability indicators, which capture the accessibility and affordability of housing for residents (cf., Pullen et al., 2010; Wallbaum et al., 2012). Environmental performance is assessed using resource efficiency metrics, such as energy and water consumption, reflecting the sustainability objectives central to the SMHC mandate (cf., Gill et al., 2011).

This multi-dimensional approach is innovative in recognising the unique hybrid context of SMHCs, where financial viability must be balanced with public service and sustainability goals. By quantifying these dimensions, the approach provides an empirical tool to systematically assess the performance of hybrid organisations, addressing limitations in prior studies that have

predominantly relied on qualitative assessments of hybrid performance (cf., Ebrahim et al., 2014; Agostino & Arnaboldi, 2017).

The development of this performance measurement approach builds on and extends existing methodologies for hybrid organisations. Previous studies have often focused on isolated performance indicators, such as financial metrics (e.g., Ponte et al, 2017) or qualitative sustainability frameworks (e.g., Thomasson, 2009). By adopting a more integrated and empirically driven approach, the dissertation addresses calls in the literature (e.g., Agostino & Arnaboldi, 2015; Ponte et al, 2017; Rajala et al., 2020) for methodologies that conceptualise and empirically capture the multi-dimensional outcomes of hybrid organisations. By applying this approach to SMHCs, the dissertation presents a replicable model for assessing performance in hybrid sectors, contributing to the broader discourse on public sector accountability and organisational hybridity.

Furthermore, this methodological contribution is enhanced by its context-sensitive application to SMHCs, illustrating how performance measurement tools can be adapted to specific institutional and regulatory environments. While rooted in the unique context of SMHCs, this approach provides insights that could inform adaptations for other hybrid sectors, such as municipal energy or waste management, where similar challenges exist.

By integrating these performance measures into the analysis, the dissertation provides a nuanced and empirical assessment of how SMHCs balance their dual mandates of public service delivery and financial viability. This methodological approach contributes to the field of performance measurement in hybrid organisations, providing both conceptual refinement and practical tools for policymakers and practitioners navigating the complexities of hybridity (Grossi et al., 2017b; De Waele et al., 2021).

6.1.3. Theoretical Contributions

This dissertation challenges the prevailing assumption that sustainability efforts improve organisational performance across all dimensions (Cavaleri & Shabana, 2018). While extensive research highlights the potential of sustainability initiatives to improve financial, social, and environmental outcomes (Hahn & Figge, 2011; Dyllick & Hockerts, 2002), the findings from this dissertation reveal a more context-dependent relationship influenced by organisational structures and competing institutional pressures. Building on Cavaleri and Shabana (2018), this work explores the complex dynamics of sustainability strategies in hybrid organisations. Previous studies suggest that sustainability strategies often interact with competing institutional logics,

resulting in trade-offs rather than synergies (Hahn et al., 2010). However, this dissertation demonstrates that SMHCs can achieve synergies between sustainability goals by aligning strategies that balance explorative and exploitative approaches while integrating processes such as evoking multiple principals at the strategic apex to navigate tensions.

Additionally, the identification of organisational connectedness as a structural moderator that influences the relationship between sustainability strategies and financial performance in SMHCs is a further contribution. The findings highlight that the level of connectedness shapes the extent to which sustainability efforts enhance or weaken financial outcomes, emphasising the importance of internal structural dynamics in hybrid organisations. This finding enriches the discussion on the contingency factors that shape the relationship between sustainability and performance strategies (Maletič et al., 2018). By elucidating the interplay between strategy and structure in SMHCs, particularly in relation to sustainability efforts and decision-making, this research advances the literature at the intersection of governance and strategic management in hybrid organisations (Mair et al., 2015; Campanale et al., 2021; Pache & Santos, 2013). It highlights the need to align sustainability strategies with organisational structures designed to balance the competing demands of multiple logics. This extends recent work on performance trade-offs in hybrid organisations (Powell et al., 2019), advancing the discussion of hybridity by identifying the meso-level mechanisms, such as selective coupling and team-based resource allocation, that moderate the relationship between sustainability and strategy.

This dissertation also advances the theoretical understanding of accountability in hybrid organisations. Drawing on institutional theory, it examines how actors at the strategic apex navigate multiple accountability logics. The research identifies specific micro-level processes, such as evoking principals, negotiating resource allocation, and aligning interests, that enable actors to reconcile conflicting accountability demands. This extends the hybridity literature by illustrating how governance frameworks evolve through these processes, enriching our understanding of how hybrid organisations operationalise accountability frameworks (Alexius & Örnberg, 2015; Ferry & Slack, 2022; Rana & Hoque, 2020).

In addition, the dissertation contributes to the broader governance literature by demonstrating how accountability is constructed within the strategic apex of SMHCs and the key processes that mediate institutional conflicts and shape accountability frameworks. By integrating relational and instrumental dimensions of accountability, this research provides a nuanced perspective on governance processes in hybrid public sector organisations, enriching the

growing body of work on hybrid accountability regimes (Benish, 2020; Alamaa et al., 2024).

The research also extends the discussion on accountability regimes in public sector hybrids by providing insights into how hybrid organisations align governance frameworks across institutional domains, making a valuable contribution to the understanding of governance in hybrid entities operating in complex institutional environments (Safari & Parker, 2024).

6.2. Implications for Practice and Policy

This dissertation offers implications for policymakers and practitioners, particularly in the context of SMHCs. While based on empirical evidence, these implications are shaped by the contextual nature of hybrid organisations and the specific institutional environments in which they operate.

6.2.1. Organisational Size and Strategic Reinvestment

The evidence suggests that there may be an optimal organisational size that balances the benefits of financial scale with the ability to maintain flexibility and responsiveness to local needs. Larger SMHCs often achieve better financial outcomes, likely due to their greater capacity for reinvestment and operational scaling (cf. Nordin et al., 2024). However, the relationship between size and performance depends on how effectively resources are strategically allocated to balance short-term financial objectives with long-term social mandates. Empirical findings indicate that governance dynamics, including board engagement and alignment with municipal directives, significantly mediate how resource allocation decisions are made.

Effective boards navigate competing priorities by fostering consensus among stakeholders and ensuring that reinvestment strategies reflect broader public service commitments. Management and boards of larger SMHCs could consider using their financial capacity to stabilise their financial position and invest in physical infrastructure, community engagement initiatives, and social projects. These reinvestments may strengthen the organisation's social legitimacy by reinforcing their commitment to public service delivery and demonstrating accountability to stakeholders.

6.2.2. Balancing Financial and Social Performance

A core implication of the research is the dual challenge that SMHCs face in pursuing financial stability alongside social responsibility. This tension

highlights the importance of embedding sustainability into strategic objectives rather than treating it as an ancillary goal. For example, sustainability practices integrated into operational strategies, such as energy efficiency improvements or rent affordability programmes, can serve the dual purpose of supporting environmental objectives and improving social outcomes (cf. Ramos, 2019; Patterson et al., 2017). Policymakers and practitioners should consider promoting frameworks that enable hybrid organisations to align their financial and social objectives, particularly by offering incentives or developing guidelines for sustainability investments that benefit tenants and the wider community

6.2.3. Preserving Organisational Connectedness

The findings show that organisational connectedness—the structural and relational links that enable collaboration, knowledge sharing, and coordinated efforts across an organisation—is a critical element in organisational success (Johanson, 2000; Mihalache et al., 2014). While managers may not always recognise these relational ties as a strategic priority, disruptions or their erosion in larger organisations can lead to unintended consequences, such as diminished collaboration, reduced alignment with organisational goals, and weakened social legitimacy (Atuahene-Gima, 2005). Maintaining these relational ties is particularly important in hybrid organisations, where balancing competing institutional logics requires the development of a cohesive organisational culture (cf. Convery & Kaufman, 2022; Ferry & Slack, 2022).

Rather than addressing connectedness directly, management can support conditions that foster informal and formal links by designing structures and systems that encourage interaction without micromanagement. For example, integrating cross-functional project teams, rotational assignments, or collaborative tools into workflows can help maintain connectedness without explicit managerial intervention (Clark & Fujimoto, 1991). Policies that promote decentralised decision-making and provide teams with autonomy in their interactions can also strengthen connectedness by fostering trust and shared understanding across organisational units (Mihalache et al., 2014).

Although relational ties within an organisation may not directly improve financial performance, the findings suggest that they play a pivotal role in aligning the organisation with sustainability goals (Chang et al., 2011). For organisations facing scalability challenges, it is vital to ensure that operational efficiencies gained through growth do not come at the expense of informal networks that foster innovation and collaboration (Burgelman, 1991). For policymakers, this underlines the importance of supporting initiatives or

providing incentives that encourage hybrid organisations to establish structures that promote internal cohesion while balancing their financial and social mandates (Clark & Fujimoto, 1991; Iosim et al., 2010).

6.2.4. Governance and Accountability at the Strategic Apex

The strategic apex plays a crucial role in managing the complexities of hybridity, particularly in balancing competing institutional logics and associated accountability frameworks. While board composition, including political and geographic representation, may enhance decision-making processes, the findings highlight that effective governance in hybrid organisations relies more on the relational dynamics within and between the board and management team. These interactions help mediate tensions between municipal directives and operational autonomy, ensuring that governance practices remain responsive to stakeholder demands and aligned with organisational goals.

In MCs, where boards often navigate political influences and local accountability pressures, effective governance requires more than procedural oversight. Relational practices foster trust and strengthen organisational cohesion. When board members and management teams engage in meaningful collaboration, they are better positioned to balance financial objectives with public service mandates.

To enhance their capacity to address sustainability challenges, boards and management teams could benefit from governance training programmes focused on accountability and stakeholder engagement (cf. Bergh & Erlingsson, 2024). Cross-functional workshops and seminars can reinforce a shared understanding of hybrid governance principles and strengthen relational ties within the strategic apex. Additionally, regular performance assessments and feedback mechanisms can support continuous improvement and ensure governance practices remain adaptive to evolving hybrid contexts.

By fostering strong relational dynamics, the strategic apex can develop a collaborative governance model that supports both operational efficiency and public service objectives. This approach reflects the hybrid nature of MCs and reinforces their accountability to municipal stakeholders and local communities.

6.2.5. Policy and Practice Interventions for Hybrid Organisations

The findings of this dissertation highlight the importance of designing strategies that reflect the distinct features of hybrid organisations, such as SMHCs. Larger SMHCs may benefit from policies that encourage financial reinvestment while supporting relational dynamics to maintain informal networks that underpin their dual mandates. Incentives for sustainability investments that address financial and social performance—such as energy efficiency programmes or sustainable housing initiatives—can help organisations achieve broader public service goals while ensuring financial viability. Policies that foster governance innovation could enhance the ability of hybrid organisations to navigate complex institutional environments and balance competing demands, but board engagement and collaborative practices may be more pivotal than demographic diversity alone.

Given the contingent nature of these findings, policymakers and practitioners should adopt a contextual and adaptive approach. What works for one SMHC may not be effective for another due to differences in organisational size, local community needs, and institutional setting. Decision-makers should consider developing flexible strategies that address these differences, enabling organisations to tackle their specific challenges and capitalise on unique opportunities.

Ultimately, the success of hybrid organisations in achieving their mission depends on their ability to balance financial, social, and environmental objectives. For practitioners, this requires a dual focus on operational efficiency and community engagement, ensuring that financial strategies do not undermine the organisation's social mission. For policymakers, this means fostering a supportive environment that encourages innovation, governance excellence, and long-term sustainability. By recognising and addressing the inherent complexities of hybrid organisations, practitioners and policymakers can more effectively navigate the challenges and opportunities that hybridity presents.

6.3. Limitations and Future Research

6.3.1. Methodological Limitations and Future Research

A limitation of this dissertation is its specific focus on SMHCs and the legal arrangements under which they operate (SFS 2017:725). While Paper 2

includes all SMHCs, the findings are constrained by the Swedish governance and regulatory context, limiting their generalisability to MCs in other countries. However, Sweden's governance framework is considered a useful lens for studying public sector hybrids due to its transparency and well-documented practices (cf. Grossi et al., 2022), which offers valuable contextual insights despite this limitation. Similarly, Paper 3, based on a single case study, provides a detailed analysis, but the applicability of the findings to wider organisational settings or sectors is limited. As an abductive case study, its contribution lies in providing deep contextual insights rather than statistical generalisation (Yin, 2014; Eisenhardt, 1989b). Comparative studies that explore MCs in different countries and regulatory frameworks (cf. La Porta et al., 2000; Crosby et al., 2016; Grossi et al., 2022) could address these limitations and provide more generalisable insights.

The dissertation also relies on a narrow set of indicators for financial, environmental, and social performance metrics to evaluate hybrid organisations. While these metrics are practical, they do not fully capture the multi-dimensional nature of organisational outcomes. For example, proxies such as water, electricity, and heating consumption per square metre oversimplify the complexities of sustainability, in line with criticisms in the literature (cf. Ramos, 2019; Patterson et al., 2017; Bebbington & Larrinaga, 2014). Future research could refine these measures by incorporating quantitative and qualitative indicators to provide a more nuanced assessment of performance. Participatory approaches could also offer complementary insights into how SMHCs balance their mandates by engaging stakeholders in performance evaluations**.** Mixed-method approaches that integrate case studies with longitudinal data could provide richer insights into how SMHCs balance their financial, environmental, and social mandates (cf. Elkington, 1997; Malina et al., 2011; Almeida, 2018).

Another methodological limitation is the reliance on Sweden's unique governance structures, in particular the ägardirektiv [owners' directive]. Future studies could explore the design and interpretation of the ägardirektiv in different service sectors and national contexts. Such research could provide insights into how governance frameworks mediate accountability and performance in hybrid organisations, responding to recent calls for cross-sectoral and comparative analyses (Argento et al., 2024; Hyndman & McKillop, 2018). These studies could further examine how governance tools like the ägardirektiv shape stakeholder expectations and local political dynamics in other public service sectors.

6.3.2. Theoretical Limitations and Future Research

The theoretical contribution of this dissertation is rooted in the concept of hybridity and its influence on control, accountability, and performance. However, the operationalisation of ambidextrous sustainability – aligning exploration and exploitation strategies to meet sustainability demands – may be too narrow. This conceptualisation primarily emphasises balancing long-term sustainability goals with short-term operational needs but may not fully capture other dimensions of ambidexterity, such as structural, sequential, or contextual approaches (e.g., O'Reilly & Tushman, 2011; Raisch et al., 2009). Future research could refine this concept by integrating broader perspectives on organisational ambidexterity, particularly in the context of hybrid organisations (cf. Raisch & Birkinshaw, 2008).

In addition to ambidexterity, the concept of hybridity can also be examined through other theoretical lenses, such as the property rights perspective (Gulbrandsen & Thune, 2020). This approach examines how ownership structures and the allocation of rights influence the behaviour and governance of hybrid organisations (e.g., Grossman & Hart, 1986; Hart & Moore, 1990). Another lens is transaction cost economics (Williamson, 1981), which applied to hybrids explores the trade-offs between market transactions and hierarchical control to minimise costs associated with coordination and opportunism (e.g., Quélin et al., 2017). Each of these conceptualisations of hybridity highlights different dynamics, such as ownership conflicts or efficiency considerations, shaping how hybrid organisations' behaviours, governance, and performance are interpreted. Depending on the theoretical lens applied, the findings and insights on hybridity are likely to differ. Future research should therefore explore alternative conceptualisations to broaden our understanding and reflect the multifaceted nature of hybridity.

Another area that warrants further exploration is the complexity of navigating multiple institutional logics. While this dissertation focuses on SMHCs, other municipal sectors, such as energy or waste management, exhibit distinct hybridity dynamics. For instance, waste management MCs must navigate tensions between environmental responsibility and economic efficiency (Avfall Sverige, 2021), while municipal energy corporations face pressures to balance renewable energy goals with affordability and energy security. Future research could compare sectoral differences to better understand how hybridity is manifested and managed in different organisational contexts (Grossi et al., 2017a).

6.3.3. Practical Limitations and Future Research

6.3.3.1. Contextual Boundaries

The findings of this dissertation are closely related to the Swedish public sector and its specific institutional frameworks, especially those governing SMHCs. Governance tools, such as the *ägardirektiv*, are unique to this context, which limits the direct applicability of the findings to other sectors or countries. For instance, the hybridity dynamics may manifest differently in sectors such as energy or waste management, where operational priorities and institutional logics differ. Future research could examine governance frameworks in municipal energy companies, in line with discussions in Paper 1, to compare how hybrid governance frameworks function across service sectors. Cross-national comparisons of governance frameworks in different regulatory and cultural environments could further enhance understanding of the interplay between policy, performance, and hybridity.

6.3.3.2. Organisational Size and Scalability

While the analysis shows some correlation between organisational size and performance, size does not emerge as a significant determinant of outcomes in SMHCs. Larger organisations may have greater financial capacity, but the data suggest that this is accompanied by potential challenges in maintaining the informal networks essential for collaboration and innovation. The qualitative findings in Paper 2 suggest that connectedness—relational ties between organisational units—can weaken as organisations grow. These observations, while statistically limited, raise interesting questions about how organisations of different sizes manage internal cohesion and connectedness, particularly during periods of growth or scaling. Future studies could explore how governance processes, rather than size alone, foster connectedness in hybrid organisations, building on the findings from Paper 2 on the role of relational governance. Comparative research could provide broader insights into the relationship between size, governance mechanisms, and performance outcomes across sectors and regulatory environments.

6.3.3.3. Temporal Dynamics

The analysis is based on a specific timeframe and captures the dynamics of hybridity within a particular economic and political context. As policies, societal expectations, and economic conditions evolve, the relevance and applicability of the findings may change. Future research could include longitudinal studies that track how hybrid organisations adapt over time, particularly during policy and economic shifts, as suggested in Paper 1. This would provide deeper insights into how hybridity evolves and how

governance and accountability frameworks respond to changing institutional demands.

6.3.3.4. Stakeholder Dynamics

Although the findings highlight control processes at the strategic apex, it is important to recognise the significant role that external stakeholders play in shaping accountability and performance in hybrid organisations. The practical application of the dissertation's recommendations may be limited by the complexity of integrating different stakeholder perspectives. Paper 3 highlights how the strategic apex navigates external pressures by elevating different stakeholders as "principals" at different times to shape resource allocation and performance priorities. Future research could explore how these external pressures interact with internal governance processes and influence the ability of hybrid organisations to reconcile competing demands.

6.3.3.5. Practical Applications for Policymakers

The dissertation highlights the role of multiple institutional logics in shaping the governance and sustainability strategies of hybrid organisations. Regulatory frameworks that reconcile these logics and incentivise the alignment of financial, environmental, and social goals could address both short-term operational needs and long-term societal outcomes. Comparative studies of regulatory incentives in different countries could provide insights into how policymakers can foster governance practices that balance competing mandates. This would respond to recent calls for adaptive regulatory frameworks that support the governance of hybrid organisations (Grossi & Thomasson, 2015).

References

Agostino, D., & Arnaboldi, M. (2015). The new public management in hybrid settings: New challenges for performance measures. *International Review of Public Administration*, *20*(4), 353-369.

Agostino, D., & Arnaboldi, M. (2017). Rational and ritualistic use of key performance indicators in hybrid organizations. *Public Money & Management*, *37*(6), 409-416.

Ahrens, T., & Chapman, C. S. (2007). Management accounting as practice. *Accounting, Organizations and Society*, *32*(1-2), 1-27.

Alamaa, L., Hall, P., & Löfgren, K. (2024). Why are organisational professionals expanding in the Swedish public sector? The role of accountability. *Public Policy and Administration*, https://doi.org/10.1177/09520767241227068

Alexius, S., & Furusten, S. (2020). Enabling sustainable transformation: Hybrid organizations in early phases of path generation. *Journal of Business Ethics*, *165*, 547-563.

Alexius, S., & Örnberg, J. C. (2015). Mission (s) impossible? Configuring values in the governance of state-owned enterprises. *International Journal of Public Sector Management*, *28*(4/5), 286-306.

Almeida, F. (2018). Strategies to perform a mixed methods study. *European Journal of Education Studies,* http://dx.doi.org/10.46827/ejes.v0i0.1902.

André, R. (2010). Assessing the accountability of government-sponsored enterprises and quangos. *Journal of Business Ethics*, *97*, 271-289.

Archer, M. S. (1995). *Realist Social Theory: The Morphogenetic Approach*. Cambridge University Press.

Argento, D., Grossi, G., van Genugten, M., & Thomasson, A. (2024). Call for papers: Governance and accountability (Govern-ability) of multiple values of municipal corporations. Retrieved from https://www.emeraldgrouppublishing.com/calls-for-papers/governance-and-accountability-gover-nability-multiple-values-municipal

Armstrong, R. M., & Grobbelaar, S. S. S. (2023). Sustainable business models for social enterprises in developing countries: a conceptual framework. *Management Review Quarterly*, *73*(2), 787-840.

Atuahene-Gima, K. (2005), "Resolving the capability–rigidity paradox in new product innovation", Journal of Marketing, Vol. 69 No. 4, pp. 61-83.

Avfall Sverige. (2021). Response to SOU 2021:24: Owning waste – part of the circular economy. Avfall Sverige. Retrieved from https://www.avfallsverige.se

Battilana, J. (2006). Agency and institutions: The enabling role of individuals' social position. *Organization*, *13*(5), 653-676.

Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing–Insights from the study of social enterprises. *Academy of Management Annals*, *8*(1), 397-441.

Battilana, J., Besharov, M., & Mitzinneck, B. (2017). On hybrids and hybrid organizing: A review and roadmap for future research. In *The SAGE Handbook of Organizational Institutionalism* (second edition) (pp. 128-162). Sage Publications.

Baudot, L., Dillard, J., & Pencle, N. (2022). Hybrid organizations and an ethic of accountability: The role of accountability systems in constructing responsible hybridity. *Accounting, Auditing & Accountability Journal*, *35*(3), 598-626.

Bebbington, J., & Larrinaga, C. (2014). Accounting and sustainable development: An exploration. *Accounting, Organizations and Society*, *39*(6), 395-413.

Bel, G., Fageda, X., & Warner, M. E. (2010). Is private production of public services cheaper than public production? A meta-regression analysis of solid waste and water services. *Journal of Policy Analysis and Management*, *29*(3), 553-577.

Benish, A. (2020). The logics of hybrid accountability: When the state, the market, and professionalism interact. *The ANNALS of the American Academy of Political and Social Science*, *691*(1), 295-310.

Benish, A., & Mattei, P. (2020). Accountability and hybridity in welfare governance. *Public Administration*, *98*(2), 281-290.

Bergh, A., & Erlingsson, G. Ó. (2024). Municipally owned corporations in Sweden: A cautionary tale. *Public Money & Management*, *44*(7), 586-593.

Bergh, A., Erlingsson, G. Ó., & Wittberg, E. (2022). What happens when municipalities run corporations? Empirical evidence from 290 Swedish municipalities. *Local Government Studies*, *48*(4), 704-727.

Besharov, M. L., & Smith, W. K. (2014). Multiple institutional logics in organizations: Explaining their varied nature and implications. *Academy of Management Review*, *39*(3), 364-381.

Bhaskar, R. (1978). On the possibility of social scientific knowledge and the limits of naturalism. *Journal for the Theory of Social Behaviour*, *8*(1), 1-28.

Bianchi, M. (2021). Hybrid organizations: A micro-level strategy for SDGs implementation: A positional paper. *Sustainability*, *13*(16), 9415.

Bouten, L., & Hoozée, S. (2022). Hybridity in a hotel chain: Designing a package of controls to sustain a hybrid mission. *Accounting, Auditing & Accountability Journal*, *35*(8), 1862-1891.

Brandsen, T., & Karré, P. M. (2011). Hybrid organizations: No cause for concern? *International Journal of Public Administration*, *34*(13), 827-836.

Briner, R. B., & Denyer, D. (2012). Systematic review and evidence synthesis as a practice and scholarship tool. In D. M. Rousseau (Ed.), *The Oxford Handbook of Evidence-Based Management* (pp. 112–129). Oxford University Press.

Brummel, J. (2023). Multi-stakeholder accountability in hybrid organisations. *Nonprofit and Voluntary Sector Quarterly*, *52*(2), 232-245.

Brunsson, N., & Olsen, J. P. (2018). *The Reforming Organization: Making Sense of Administrative Change*. Routledge.

Burgelman, R.A. (1991), "Intraorganizational ecology of strategy making and organizational adaptation: theory and field research", Organization Science, Vol. 2 No. 3, pp. 239-262.

Burns, J., & Scapens, R. W. (2000). Conceptualizing management accounting change: An institutional framework. *Management Accounting Research*, *11*(1), 3-25.

Busco, C., & Scapens, R. W. (2011). Management accounting systems and organisational culture: Interpreting their linkages and processes of change. *Qualitative Research in Accounting & Management, 8*(4), 320-357.

Campanale, C., Cinquini, L., & Grossi, G. (2021). The role of multiple values in developing management accounting practices in hybrid organisations. *The British Accounting Review*, *53*(6), 100999.

Cardinal, L. B., Sitkin, S. B., & Long, C. P. (2004) Balancing and rebalancing in the creation and evolution of organizational control. *Organization Science*, *15*(4),411–431.

Cavaleri, S., & Shabana, K. (2018). Rethinking sustainability strategies. *Journal of Strategy and Management*, *11*(1), 2-17.

Chandler, A. D. (1962). Strategy and structure: Chapters in the history of the industrial empire. *Cambridge Mass*, *5*(1), 12-48.

Chang, Y.-Y., Hughes, M. and Hotho, S. (2011), "Internal and external antecedents of SMEs' innovation ambidexterity outcomes", Management Decision, Vol. 49 No. 10, pp. 1658-1676.

Chenhall, R. H. (2003). Management control systems design within its organizational context: Findings from contingency-based research and directions for the future. *Accounting, Organizations and Society*, *28*(2-3), 127-168.

Clark, K. and Fujimoto, T. (1991), Product Development Performance: Strategy, Organization, and Management in the World Auto Industry, Harvard Business School Press, Boston.

Collin, S. O. Y., Tagesson, T., Andersson, A., Cato, J., & Hansson, K. (2009). Explaining the choice of accounting standards in municipal corporations: Positive accounting theory and institutional theory as competitive or concurrent theories. *Critical Perspectives on Accounting*, *20*(2), 141-174.

Convery, A. M., & Kaufman, M. (2022). Regulation as a force for hybrid organization: evidence from the Bonneville Power Administration (1980–2012). *Accounting, Auditing & Accountability Journal*, *35*(3), 658-680.

Cornforth, C. (2020). The governance of hybrid organisations. In *Handbook on Hybrid Organisations* (pp. 220-236). Edward Elgar Publishing.

Crosby, B. C., Hart, P., & Torfing, J. (2016). Public value creation through collaborative innovation. *Public Management Review, 19*(5), 655–669.

Cunha, M. P., & Putnam, L. L. (2017). Paradox theory and the paradox of success. *Strategic Organization, 15*(2), 95-106.

Da Cunha, J. V., Clegg, S. R., & Cunha, M. P. (2002). Management, paradox, and permanent dialectics. *Advances in Organization Studies*, *9*, 11-40.

Danermark, B., Ekstrom, M., & Jakobsen, L. (2018). *Explaining Society: An Introduction to Critical Realism in the Social Sciences* (second edition). Routledge.

De Waele, L., Polzer, T., Van Witteloostuijn, A., & Berghman, L. (2021). A little bit of everything? Conceptualising performance measurement in hybrid public sector organisations through a literature review. J*ournal of Public Budgeting, Accounting & Financial Management, 33*(3), 343-363.

Denis, J.-L., Ferlie, E., & Van Gestel, N. (2015). Understanding hybridity in public organizations. *Public Administration, 93*(2), 273-289.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, *48*(2), 147-160.

Doherty, B., Haugh, H., & Lyon, F. (2014). Social enterprises as hybrid organizations: A review and research agenda. *International Journal of Management Reviews*, *16*(4), 417-436.

Dubnick, M. (2005). Accountability and the promise of performance: In search of the mechanisms. *Public Performance & Management Review*, *28*(3), 376-417.

Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. *Business Strategy and the Environment, 11*(2), 130-141.

Ebrahim, A. (2016). The many faces of nonprofit accountability. *The Jossey-Bass Handbook of Nonprofit Leadership and Management* (pp.102-123). John Wiley & Sons.

Ebrahim, A., Battilana, J., & Mair, J. (2014). The governance of social enterprises: Mission drift and accountability challenges in hybrid organisations. *Research in Organisational Behavior*, *34*, 81-100.

Eisenhardt, K. M. (1989a). Agency theory: An assessment and review. *Academy of Management Review*, *14*(1), 57-74.

Eisenhardt, K. M. (1989b). Building theories from case study research. *Academy of management review*, *14*(4), 532-550.

Elkington, J. (1997). The triple bottom line. *Environmental Management: Readings and Cases*, *2*, 49-66.

Erlingsson, G. Ó., Thomasson, A., & Öhrvall, R. (2018). Issues on transparency, accountability and control in hybrid organisations: The case of enterprises owned by local government. In *Hybridity in the Governance and Delivery of Public Services* (Vol. 7, pp. 31-52). Emerald Publishing Limited.

Ferry, L., & Slack, R. (2022). (Counter) accounting for hybrid organising: A case of the Great Exhibition of the North. *Accounting, Auditing & Accountability Journal*, *35*(3), 681-705.

Friedland, R., Alford, R. R., Powell, W. W., & DiMaggio, P. J. (1991). *The new Institutionalism in Organizational Analysis* (pp. 232-263). University of Chicago Press.

Ghio, A., & Verona, R. (2022). Unfolding institutional plurality in hybrid organizations through practices: The case of a cooperative bank. *The British Accounting Review, 54*(4), 101041.

Gil, M., Uman, T., Hiebl, M. R., & Seifner, S. (2024). Auditing in family firms: Past trends and future research directions. *Journal of Small Business Management*, *62*(6), 3119–3163.

Gill, Z. M., Tierney, M. J., Pegg, I. M., & Allan, N. (2011). Measured energy and water performance of an aspiring low energy/carbon affordable housing site in the UK. *Energy and Buildings*, *43*(1), 117-125.

González, C., & Greve, P. (2023). Supplementary and complementary congruence at the apex of the organization: Management and board as a strategic-oriented multiteam system. *British Journal of Management, 34*(3), 1510-1533.

Goodrick, E., & Reay, T. (2011). Constellations of institutional logics: Changes in the professional work of pharmacists. *Work and Occupations, 38*(3), 372-416.

Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E. R., & Lounsbury, M. (2011). Institutional complexity and organizational responses. *Academy of Management Annals, 5*(1), 317-371

Grossi, G., & Reichard, C. (2008). Municipal corporatization in Germany and Italy. *Public Management Review*, *10*(5), 597-617.

Grossi, G., & Thomasson, A. (2015). Bridging the accountability gap in hybrid organizations: The case of Copenhagen Malmö Port. *International Review of Administrative Sciences, 81*(3), 604-620.

Grossi, G., Kallio, K. M., Sargiacomo, M., & Skoog, M. (2020). Accounting, performance management systems and accountability changes in knowledge-intensive public organizations: A literature review and research agenda. *Accounting, Auditing & Accountability Journal*, *33*(1), 256-280.

Grossi, G., Papenfuß, U., & Tremblay, M. S. (2015). Corporate governance and accountability of state-owned enterprises: Relevance for science and society and interdisciplinary research perspectives. *International Journal of Public Sector Management, 28*(4/5), 274-285.

Grossi, G., Reichard, C., Thomasson, A., & Vakkuri, J. (2017a). Governance and control of hybrid organisations: Comparing performances of state-owned enterprises and municipal corporations. *Public Organization Review*, *17*(1), 1-18.

Grossi, G., Reichard, C., Thomasson, A., & Vakkuri, J. (2017b). Theme: Performance measurement of hybrid organizations–emerging issues and future research perspectives. *Public Money and Management*, *37*(6), 379-386.

Grossi, G., Vakkuri, J., & Sargiacomo, M. (2022). Accounting, performance and accountability challenges in hybrid organisations: A value creation perspective. *Accounting, Auditing & Accountability Journal*, *35*(3), 577-597.

Grossman, S. J., & Hart, O. D. (1986). The costs and benefits of ownership: A theory of vertical and lateral integration. *Journal of Political Economy, 94*(4), 691–719.

Gulbrandsen, M., & Thune, T. (2020). Hybridity and research organisations. In *Handbook on Hybrid Organisations* (pp. 116-134). Edward Elgar Publishing.

Güngördü-Arıoğlu, M., & Tunçalp, D. (2024). Understanding the processes of organizational hybridization: A systematic review. *Management Review Quarterly*, https://doi.org/10.1007/s11301-024-00465-6

Hahn, T., & Figge, F. (2011). Beyond the bounded instrumentality in current corporate sustainability research: Toward an inclusive notion of profitability. *Journal of Business Ethics, 104(*3), 325-345.

Hahn, T., Preuss, L., Pinkse, J., & Figge, F. (2014). Cognitive frames in corporate sustainability: Managerial sensemaking with paradoxical and business case frames. *Academy of Management Review*, *39*(4), 463-487.

Haigh, N., Walker, J., Bacq, S., & Kickul, J. (2015). Hybrid organizations: Origins, strategies, impacts, and implications. *California Management Review*, *57*(3), 5-12.

Hart, O., & Moore, J. (1990). Property rights and the nature of the firm. *Journal of Political Economy, 98*(6), 1119-1158.

Hestad, D., Tàbara, J. D., & Thornton, T. F. (2021). The three logics of sustainability-oriented hybrid organisations: A multi-disciplinary review. *Sustainability Science*, *16*(2), 647-661.

Hopwood, A.G., 1987. The archaeology of accounting systems. *Accounting, Organizations and Society*, *12*(3), 207–234.

Humphrey-Murto, S., Varpio, L., Wood, T. J., Gonsalves, C., Ufholz, L. A., Mascioli, K., ... & Foth, T. (2017). The use of the Delphi and other consensus group methods in medical education research: A review. *Academic Medicine, 92*(10), 1491-1498.

Hyndman, N., & McConville, D. (2018). Trust and accountability in UK charities: Exploring the virtuous circle. *The British Accounting Review, 50*(2), 227-237.

Hyndman, N., & McKillop, D. (2018). Public services and charities: Accounting, accountability and governance at a time of change. *The British Accounting Review*, *50*(2), 143-148.

Iosim, I., Iancu, T., Popescu, G. and Orboi, M.D. (2010), "The impact of informal communications in organizations", Bulletin UASVM Horticulture, Vol. 67 No. 2, pp. 125-130.

Jarzabkowski, P., Lê, J. K., & Van de Ven, A. H. (2013). Responding to competing strategic demands: How organizing, belonging, and performing paradoxes coevolve. *Strategic Organization*, *11*(3), 245-280.

Jay, J. (2013). Navigating paradox as a mechanism of change and innovation in hybrid organizations. *Academy of Management Journal, 56*(1), 137-159.

Johanson, J. E. (2000). Formal structure and intra-organisational networks. An analysis in a combined social and health organisation in Finland. *Scandinavian Journal of Management*, *16*(3), 249-267.

Johanson, J. E., & Vakkuri, J. (2017). *Governing Hybrid Organisations: Exploring Diversity of Institutional Life*. Routledge.

Karré, P. M. (2020). Hybrid organisations: Between state and market. In *Handbook on Hybrid Organisations*. Edward Elgar Publishing.

Kickert, W. J. (2001). Public management of hybrid organizations: Governance of quasi-autonomous executive agencies. *International Public Management Journal*, *4*(2), 135-150.

Krause, T., & Van Thiel, S. (2019). Perceived managerial autonomy in municipally owned corporations: Disentangling the impact of output control, process control, and policy-profession conflict. *Public Management Review*, *21*(2), 187-211.

La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2000). Investor protection and corporate governance. *Journal of Financial Economics*, *58*(1-2), 3-27.

Maine, J. (2024). Municipal corporations in national and disciplinary contexts: A systematic literature review and future research agenda. *International Public Management Journal*, 1-21.

Mair, J., Mayer, J., & Lutz, E. (2015). Navigating institutional plurality: Organizational governance in hybrid organizations. *Organization Studies, 36*(6), 713-739.

Maletič, M., Maletič, D., & Gomišček, B. (2018). The role of contingency factors on the relationship between sustainability practices and organizational performance. *Journal of Cleaner Production, 171*, 423-433.

Maletič, M., Maletič, D., Dahlgaard, J. J., Dahlgaard-Park, S. M., & Gomišček, B. (2014). Sustainability exploration and sustainability exploitation: From a literature review towards a conceptual framework. *Journal of Cleaner Production, 79*, 182-194.

Malina, M., Norreklit, H., & Selto, F. (2011). Lessons learned: Advantages and disadvantages of mixed method research. *Qualitative Research in Accounting & Management, 8*(1), 59-71.

Malmi, T., & Brown, D. A. (2008). Management control systems as a package—Opportunities, challenges and research directions. *Management Accounting Research*, *19*(4), 287-300.

March, J. G. (1991). Exploration and exploitation in organizational learning. O*rganization Science, 2*(1), 71-87.

Meyer, J. W. (2017). Reflections: Institutional theory and world society. In R. Greenwood, C. Oliver, T. B. Lawrence, & R. E. Meyer (Eds.), *The SAGE Handbook of Organizational Institutionalism* (2nd edition) (pp. 889-911). SAGE Publications.

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology, 83*(2), 340-363.

Mihalache, O. R., Jansen, J. J., Van den Bosch, F. A., & Volberda, H. W. (2014). Top management team shared leadership and organizational ambidexterity: A moderated mediation framework. *Strategic Entrepreneurship Journal, 8*(2), 128-148.

Mintzberg, H. (1983). *Power in and around Organization*. Prentice Hall, Englewood Cliffs.

Nilsson, F., Petri, C. J., & Westelius, A. (Eds.). (2020). *Strategic Management Control: Successful Strategies based on Dialogue and Collaboration*. Springer Nature.

Nordin, N., Khatibi, A., & Azam, S. F. (2024). Nonprofit capacity and social performance: Mapping the field and future directions. *Management Review Quarterly, 74*(1), 171-225.

O'Reilly III, C. A., & Tushman, M. L. (2011). Organizational ambidexterity in action: How managers explore and exploit. *California Management Review, 53*(4), 5-22.

Pache, A. C., & Santos, F. (2010). When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands. *Academy of Management Review*, *35*(3), 455-476.

Pache, A. C., & Santos, F. (2013). Inside the hybrid organization: Selective coupling as a response to competing institutional logics. *Academy of Management Journal*, *56*(4), 972-1001.

Pache, A. C., & Thornton, P. H. (2020). Hybridity and institutional logics. In *Organizational Hybridity: Perspectives, Processes, Promises* (Vol. 69, pp. 29-52). Emerald Publishing Limited.

Pache, A. C., Battilana, J., & Spencer, C. (2024). An integrative model of hybrid governance: The role of boards in helping sustain organizational hybridity. *Academy of Management Journal*, *67*(2), 437-467.

Patterson, J., Schulz, K., Vervoort, J., Van Der Hel, S., Widerberg, O., Adler, C., ... & Barau, A. (2017). Exploring the governance and politics of transformations towards sustainability. *Environmental Innovation and Societal Transitions*, *24*, 1-16.

Pfeffer, J., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper & Row.

Ponte, D., Pesci, C., & Camussone, P.F. (2017). Between mission and revenue: Measuring performance in a hybrid organization. *Managerial Auditing Journal*, *32*(2), 196-214.

Powell, M., Gillett, A., & Doherty, B. (2019). Sustainability in social enterprise: Hybrid organizing in public services. *Public Management Review, 21*(2), 159-186.

Pullen, S., Arman, M., Zillante, G., Zuo, J., Chileshe, N., & Wilson, L. (2010). Developing an assessment framework for affordable and sustainable housing. *The Australasian Journal of Construction Economics and Building*, *10*(1/2), 60-76.

Quélin, B. V., Kivleniece, I., & Lazzarini, S. (2017). Public-private collaboration, hybridity and social value: Towards new theoretical perspectives. *Journal of Management Studies*, *54*(6), 763-792.

Raab, J., Mannak, R. S., & Cambré, B. (2015). Combining structure, governance, and context: A configurational approach to network effectiveness. *Journal of Public Administration Research and Theory*, *25*(2), 479-511.

Raisch, S., & Birkinshaw, J. (2008). Organizational ambidexterity: Antecedents, outcomes, and moderators. *Journal of Management, 34*(3), 375-409.

Raisch, S., Birkinshaw, J., Probst, G., & Tushman, M. L. (2009). Organizational ambidexterity: Balancing exploitation and exploration for sustained performance. *Organization Science*, *20*(4), 685-695.

Rajala, T., & Kokko, P. (2021). Biased by design–the case of horizontal accountability in a hybrid organization. *Accounting, Auditing & Accountability Journal, 35*(3), 830–862.

Rajala, T., Laihonen, H., & Vakkuri, J. (2020). Exploring challenges of boundary-crossing performance dialogues in hybrids. *Journal of Management and Governance, 24*(3), 799-820.

Ramos, T. B. (2019). Sustainability assessment: Exploring the frontiers and paradigms of indicator approaches. *Sustainability, 11*(3), 824.

Rana, T., & Hoque, Z. (2020). Institutionalising multiple accountability logics in public services: Insights from Australia. *The British Accounting Review, 52*(4), 100919.

Reay, T., & Hinings, C. R. (2009). Managing the rivalry of competing institutional logics. *Organization Studies*, *30*(6), 629-652.

Safari, M., & Parker, L. D. (2024). Understanding multiple accountability logics within corporate governance policy discourse: Resistance, compromise, or selective coupling? *European Accounting Review, 33(*4), 1467-1496.

Scott, W. R. (1987). The adolescence of institutional theory. *Administrative Science Quarterly, 32*(4), 493-511.

Scott, W. R. (2013). *Institutions and Organizations: Ideas, Interests, and Identities*. Sage Publications.

SFS. (2017). Kommunallag [local government act]. Ministry of finance. Retrieved from https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/ kommunallag-2017725_sfs-2017-725.

Skelcher, C., & Smith, S. R. (2015). Theorizing hybridity: Institutional logics, complex organizations, and actor identities: The case of nonprofits. *Public Administration*, *93*(2), 433-448.

Smith, W. K., & Cunha, M. P. (2020). A paradoxical approach to hybridity: Integrating dynamic equilibrium and disequilibrium perspectives. In *Organizational Hybridity: Perspectives, Processes, Promises* (Vol. 69, pp. 93-111). Emerald Publishing Limited.

Smith, W. K., & Lewis, M. W. (2011). Toward a theory of paradox: A dynamic equilibrium model of organizing. *Academy of Management Review, 36*(2), 381-403.

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review*, *20*(3), 571-610.

Székely, F., & Knirsch, M. (2005). Responsible leadership and corporate social responsibility: Metrics for sustainable performance. *European Management Journal, 23*(6), 628-647.

Thomasson, A. (2009). Exploring the ambiguity of hybrid organisations: A stakeholder approach. *Financial Accountability & Management*, *25*(3), 353-366.

Thomasson, A. (2020). The Swedish corporate model. In *Handbook on Hybrid Organisations* (pp. 135-150). Edward Elgar Publishing.

Thornton, P. H., & Ocasio, W. (1999). Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990. *American Journal of Sociology, 105*(3), 801-843.

Thornton, P. H., & Ocasio, W. (2008). Institutional logics. *The Sage Handbook of Organizational Institutionalism*, *840*(2008), 99-128.

Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The Institutional Logics Perspective: A New Approach to Culture, Structure and Process*. OUP.

Tranfield, D., Denyer, D., & Smart, P. (2003). Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British Journal of Management, 14*(3), 207–222.

Vakkuri, J., & Johanson, J. E. (2020). Failed promises–performance measurement ambiguities in hybrid universities. *Qualitative Research in Accounting & Management*, *17*(1), 33-50.

Vakkuri, J., Johanson, J. E., Feng, N. C., & Giordano, F. (2021). Governance and accountability in hybrid organizations–past, present and future. *Journal of Public Budgeting, Accounting & Financial Management, 33*(3), 245-260.

Vining, A. R., & Weimer, D. L. (2020). Public–private hybrids: A property rights perspective. In *Handbook on Hybrid Organisations* (pp. 96-115). Edward Elgar Publishing.

Voorn, B., Van Genugten, M. L., & Van Thiel, S. (2017). The efficiency and effectiveness of municipally owned corporations: A systematic review. *Local Government Studies, 43*(5), 820-841.

Wallbaum, H., Ostermeyer, Y., Salzer, C., & Escamilla, E. Z. (2012). Indicator based sustainability assessment tool for affordable housing construction technologies. *Ecological Indicators, 18*, 353-364.

Weber, M. (2009). *The Theory of Social and Economic Organization*. Simon and Schuster.

Wen, W., Humphrey, C., & Sonnerfeldt, A. (2021). The strategic significance of the CICPA in the making of a Chinese home-grown public accounting profession. *Accounting and Business Research, 51*(6-7), 636-676.

Westerdahl, S. (2021). Yield and the city: Swedish public housing and the political significance of changed accounting practices. *Critical Perspectives on Accounting, 80*, 102161.

Willems, T., & Van Dooren, W. (2016). (De) politicization dynamics in public–private partnerships (PPPs): Lessons from a comparison between UK and Flemish PPP policy. *Public Management Review*, *18*(2), 199-220.

Williamson, O. E. (1981). The economics of organization: The transaction cost approach. *American Journal of Sociology, 87*(3), 548-577.

Yin, R. K. (2009). *Case study research: Design and methods* (Vol. 5). sage.

Zucker, L. G. (1977). The role of institutionalization in cultural persistence. *American Sociological Review*, *42*(5), 726-743.

Appendix 1- Figures

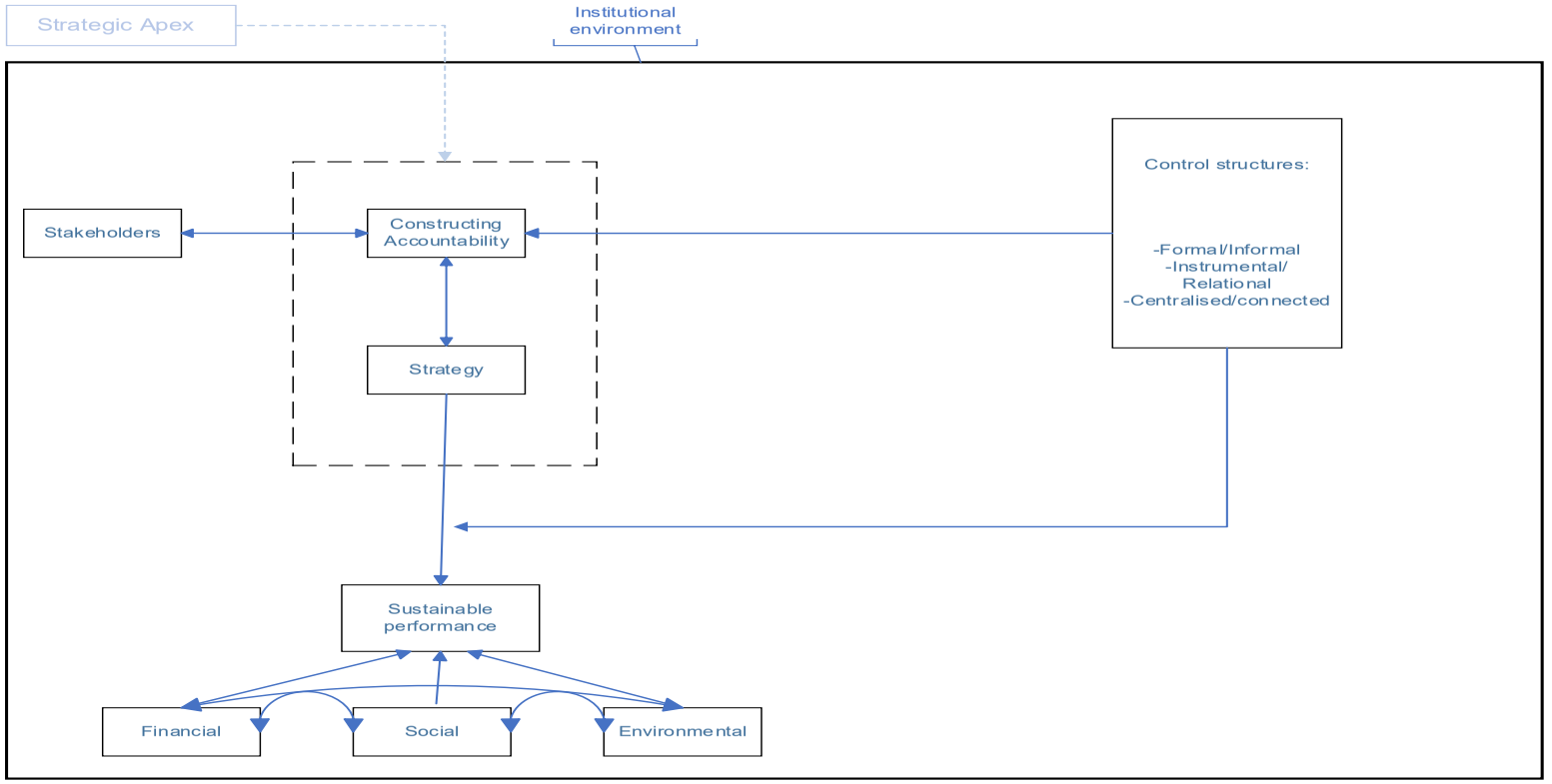

Figure 1 Overall Model

Control in Hybrid Organisations

A Study of Board and Management Practices

This dissertation examines how the hybridity of municipal corporations (MCs) shapes organisational control and accountability structures. It explores how hybrid organisations address tensions between economic, social, and environmental objectives in complex environments arising from multiple institutional logics.

Three interconnected studies guide this research. The first study presents a systematic literature review of MCs, mapping thematic areas and identifying dual pressures to balance economic performance with public service delivery. The second study introduces the concept of ambidextrous sustainability to assess how top managers balance short-term operational demands with long-term sustainability goals. It examines how organisational structures moderate the relationship between sustainability strategies and performance. The third study investigates accountability at the strategic apex, focusing on how key actors manage tensions among economic, social, and environmental accountabilities. It outlines processes for aligning stakeholder demands and institutional expectations while highlighting the role of apex actors.

These studies contribute to understanding management control, public management, and organisational hybridity by analysing how hybrid organisations address accountability regimes and institutional tensions. The aggregated findings indicate that MC hybridity involves challenges and opportunities in aligning public service mandates with market-driven objectives. This dissertation provides insights into accountability and performance in hybrid organisations, informing ongoing discussions in research and practice.

JOSHUA MAINE is a doctoral candidate and researcher at Jönköping International Business School. He specialises in management accounting, governance, and public-sector organisations. His research focuses on hybrid organisations, particularly accountability, performance, and governance practices. Leveraging his experience in academia and public-sector collaboration, he brings valuable insights into governance strategies and management control in complex organisational settings. His work has been featured in international academic journals, highlighting his dedication to impactful scholarship.

ISSN 1403-0470
ISBN 978-91-7914-054-0 (Printed version)
ISBN 978-91-7914-055-7 (Online version)